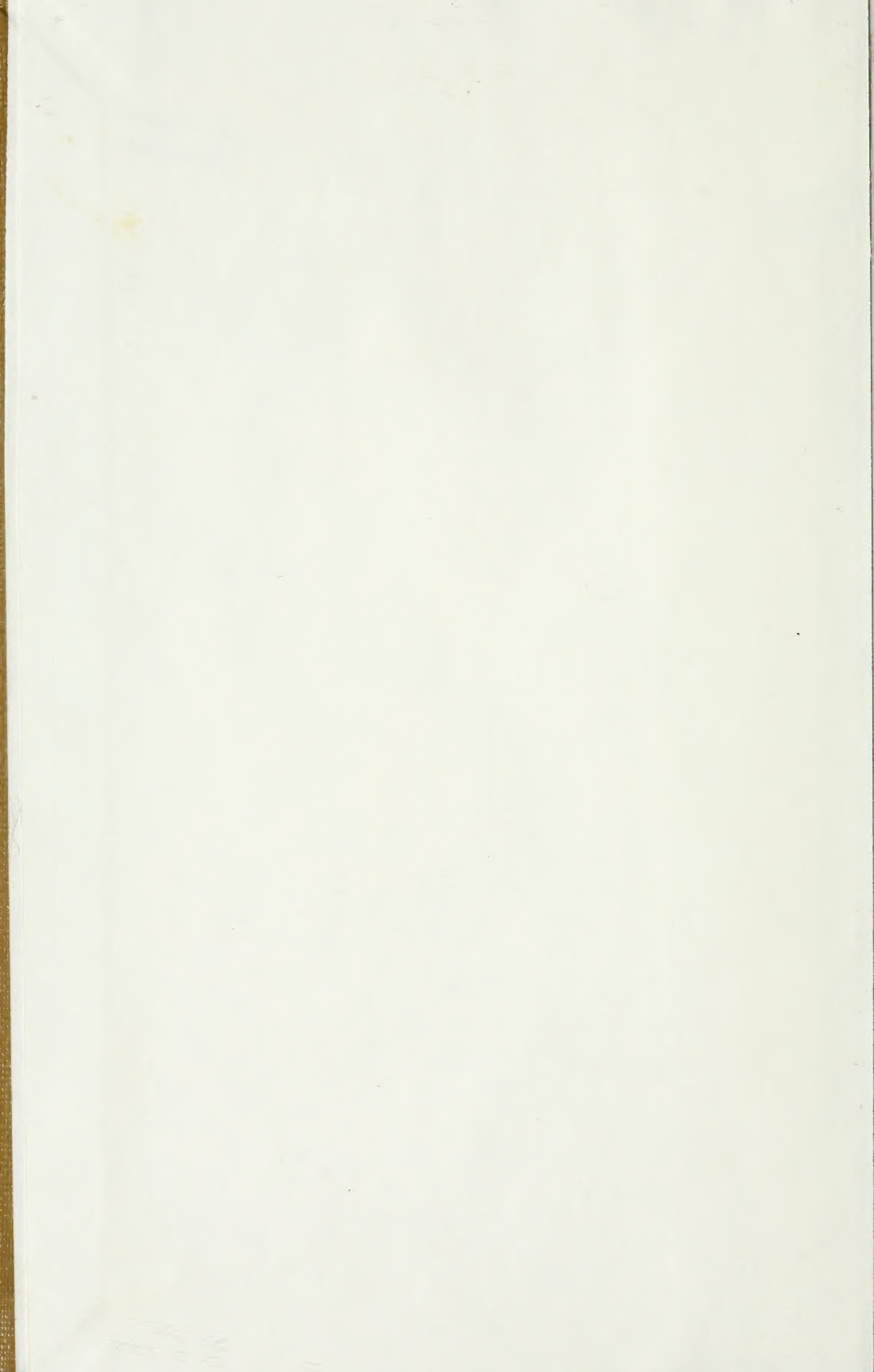


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SESSIONAL PAPERS

VOLUME 1

THIRD SESSION OF THE THIRTEENTH PARLIAMENT

OF THE

DOMINION OF CANADA

SPECIAL SESSION 1919

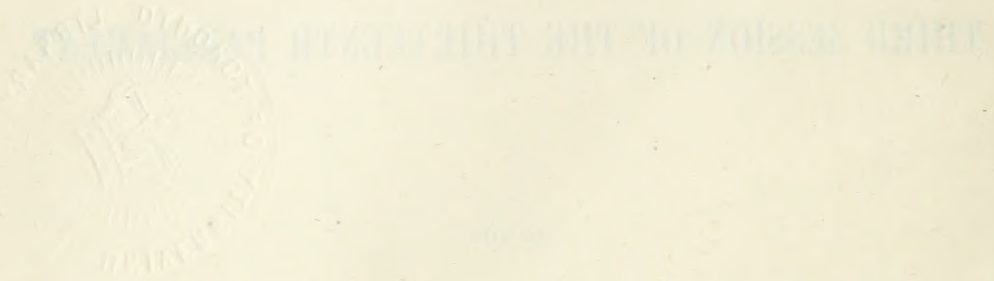
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UME LV

SESSION II. PAPERS

1891-1892



DOMINION OF CANADA

Special Session 1891-1892



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4. Further Supplementary Estimates of sums required for the service of the Dominion for the year ending on the 31st March, 1920. Presented by Sir George Foster, November 3, 1919... *Printed for distribution and sessional papers.*
5. Further Supplementary Estimates of sums required for the service of the Dominion for the year ending on the 31st March, 1920, and, in accordance with the provisions of "The British North America Act, 1867." Presented by Sir George Foster, November 3, 1919... *Printed for distribution and sessional papers.*
8. Report of the Superintendent of Insurance of the Dominion of Canada for the year ended 31st December, 1918—Volume I, Insurance Companies other than Life. Presented by Hon. Mr. Maclean, September 29, 1919. *Printed for distribution and sessional papers.*
- 17c. (1). Report of the Census of Industry, 1917. Part IV—Section I. Lumber, Lath, Shingles, etc. Presented by Sir George Foster, September 29, 1919. Bound in Sessional Papers for 1919, 1st Session. *Printed for distribution and sessional papers.*
- 17c. 3. Report of the Census of Industry, 1917. Part IV—Section 3, Planing Mills, Sash and Door Factories, etc. Presented by Sir George Foster, October 22, 1919. Bound in Sessional Papers for 1919, 1st Session. *Printed for distribution and sessional papers.*
40. Report of the Librarians of Parliament. Presented by Hon. Mr. Speaker, September 1, 1919... *Not printed.*
- 41, 41a, 41b, 41c, 41d, 41e. Papers relating to the Treaty of Peace between Allied and Associated Powers, and Germany.
 41. 1. Treaty of Peace between the Allied and Associated Powers and Germany, signed at Versailles, June 28, 1919.
 - 41a. 2. Protocol supplementary to the Treaty of Peace, signed at Versailles, June 28, 1919.
 - 41b. 3. Agreement between the United States of America, Belgium, the British Empire and France and Germany with regard to the Military Occupation of the Territories of the Rhine, signed at Versailles, June 28, 1919.
 - 41c. 4. Declaration by the Governments of the United States of America, Great Britain and France in regard to the Occupation of the Rhine Provinces, June 16, 1919.
 - 41d. 5. Reply of the Allied and Associated Powers to the Observations of the German Delegation on the Conditions of Peace, June 16, 1919.
 - 41e. 6. Treaty of Peace between the United States of America, the British Empire, France, Italy and Japan, and Poland, signed at Versailles, June 28, 1919. Presented by Sir Robert Borden, September 2 1919... *Printed for distribution and sessional papers.*
- 41f. Copy of certain correspondence between Sir Robert Borden after his arrival in England and the Canadian Ministry in regard to the representation of Canada at the Peace Conference.

Copy of memorandum circulated by Sir Robert Borden on behalf of the Dominion Prime Ministers, entitled: The Dominions as Parties to the various Peace Treaties.

Correspondence exchanged between the Imperial Government and the Canadian Government in regard to the representation of Canada at the Peace Conference, and the steps that might be deemed necessary for the ratification of the Treaty of Peace. Presented by Hon. Mr. Rowell, September 10, 1919... *Not printed.*
- 41g. Copy of Order in Council, P.C. 1907, dated 12th September, 1919, ordering that His Majesty the King be humbly moved to approve, accept, confirm and ratify a Treaty of Peace (including a protocol annexed thereto), for and in respect of the Dominion of Canada, signed at Versailles, on the twenty-eighth day of June, nineteen hundred and nineteen, between the Allied and Associated Powers and Germany. Presented by Hon. Mr. Rowell, September 12, 1919... *Not printed.*

CONTENTS OF VOLUME 1—Continued.

- 41h. Copy of The Covenant of the League of Nations, with a commentary thereon. Presented by Hon. Mr. Rowell, September 15, 1919.
Printed for distribution and sessional papers.
- 41i. Copy of pamphlet relating to Labour and the Peace Treaty, including The Labour Convention and General Principles as incorporated in the Treaty of Peace (Part XIII, Sections I and II, Articles 387-427), between the Allied and Associated Powers and Germany, signed at Versailles, June 28, 1919. Presented by Hon. Mr. Rowell, September 15, 1919... *Printed for distribution and sessional papers.*
- 41j. Correspondence and Documents relative to the Representation of Canada at the Peace Conference and to the ratification of the Treaty of Peace with Germany. Presented by Hon. Mr. Rowell, October 10, 1919.
Printed for distribution and sessional papers.
- 41k. Copy of Order in Council, P.C. 1861, dated September 6, 1919, requesting His Majesty the King to issue letters patent to each of the following named persons:—
The Honourable Sir George Halsey Perley, K.C.M.G., High Commissioner for Canada in London;
The Honourable Sir Albert Edward Kemp, K.C.M.G., M.P., Minister of Overseas Military Forces of Canada in the United Kingdom;
naming and appointing him as Commissioner and Plenipotentiary in respect of the Dominion of Canada, with full power and authority as from the first day of January, 1919, to sign any treaties concluded at the Peace Conference. Presented by Hon. Mr. Rowell, October 14, 1919... *Not printed.*
- 41l. Copy of the Treaty of Peace between the Allied and Associated Powers and Austria, as signed at St. Germain on September 10, 1919. Presented by Hon. Mr. Rowell, October 20, 1919... *Printed for distribution and sessional papers.*
42. Copy of a letter from the Secretary of State for the Colonies acknowledging receipt of an Address to His Majesty the King from the House of Commons of Canada re conferring of titles of honour on British subjects resident in Canada. Presented by Sir Robert Borden, September 4, 1919... *Not printed.*
43. Copies of Orders in Council, as follows:—
P.C. 1200, dated 11th June, 1919, approving clause 11-b of the Ontario Housing Act as part of the Ontario Housing Scheme.
P.C. 1721, dated 14th August, 1919, approving the General Housing Scheme of Nova Scotia.
P.C. 1725, dated 18th August, 1919, approving the application of the Government of Manitoba, to amend the Manitoba Housing Scheme approved June 11, 1919.
P.C. 1766, dated 23rd August, 1919, amendments to General Principles of Federal Government Housing Scheme respecting "Maximum Cost of Dwellings" and "Terms of Years for Repayment of Loans." Presented by Hon. Mr. Rowell, September 8, 1919... *Not printed.*
44. Minutes of Proceedings of the Commissioners of Internal Economy of the House of Commons. Presented by Hon. Mr. Speaker, September 10, 1919.
Not printed.
45. Diagram prepared by the Department of Militia and Defence, illustrating the statement made in the House of Commons, 12th September, 1919, with reference to a comparative statement of War Service Gratuity in equivalent of Canadian currency paid by different countries based on three years' service for the rank of Private, compiled from information at present available. Presented by Hon. Mr. Rowell, September 15, 1919... *Not printed.*
46. Amendment to Radiotelegraph Regulation, No. 56, dated 25th June, 1919. Presented by Hon. Mr. Mewburn, September 16, 1919... *Not printed.*
- 46a. Amendment to Radiotelegraph Regulation No. 88: Nationality of applicants for certificates of proficiency in radiotelegraphy. Presented by Hon. Mr. Maclean, November 3, 1919... *Not printed.*
47. Orders in Council passed between January 20, 1919, and July 31, 1919, in accordance with the provisions of the Dominion Lands Act. Presented by Hon. Mr. Calder, September 16, 1919... *Not printed.*
48. Migratory Birds Convention Act. Presented by Hon. Mr. Calder, September 16, 1919.
Not printed.
49. Forest Reserves and Parks Act. Presented by Hon. Mr. Calder, September 16, 1919.
Not printed.
50. Railway Belt Act. Presented by Hon. Mr. Calder, September 16, 1919.
Not printed.

CONTENTS OF VOLUME 1—*Continued.*

51. Railway Belt Water Act. Presented by Hon. Mr. Calder, September 16, 1919.
Not printed.
52. Dominion Lands Surveys Act. Presented by Hon. Mr. Calder, September 16, 1919.
Not printed.
53. Copies of certain Orders in Council dealing with the policy of the Department as regards the Civil Re-Establishment of former members of the Canadian Expeditionary Forces and establishing certain regulations with respect thereto which have been passed since the last Session of Parliament, as follows:—
P.C. 814 of the 16th April, 1919, providing for the training of boys who enlisted under the military age of 18.
P.C. 1040, of the 19th May, 1919, limiting the period during which ex-members of the Forces may apply for the benefits of re-training.
P.C. 1845 of the 10th September, 1919, an amendment to P.C. 1040, which provides that all ex-members of the Forces, who desire to take advantage of the benefits of re-training administered by this Department, must submit their applications for such training within three months from the date of their discharge from the C. E. F. or from hospital.
P.C. 1846 of the 10th September, 1919, giving authority to the Department to pay the allowances authorized by P.C. 387 to ex-members of the Forces who are provided with training under the provisions of P.C. 814.
P.C. 1342 of the 1st July, 1919, approving an agreement between the Department and the United States Bureau of Public Health Service for the hospital treatment in the United States of disabled ex-members of the Canadian Forces resident in that country. Presented by Mr. Clark, Parliamentary Secretary, Department of Militia and Defence, September 16, 1919.*Not printed.*
54. Return to an Order of the House of the 19th March, 1919, for a return showing the names and home post office addresses and date of appointment of all employees of the Department of Railways and Canals engaged in the ferry boats or otherwise connected with the transfer service on the Straits of Canso; and also, a copy of all correspondence in the possession of the said Department, or in possession of the Civil Service Commission, relating to the appointment of the said employees. Presented, September 17, 1919.—*Mr. Sinclair (Antigonish)*.*Not printed.*
55. Return to an Order of the House of the 7th April, 1919, for a copy of all correspondence, petitions and other papers, relating to the removal of the office of the Chief Inspector of Fisheries for British Columbia, from New Westminster to Vancouver. Presented September 18, 1919.—*Mr. McQuarrie*.*Not printed.*
56. Return to an Order of the House of the 19th March, 1919, for a copy of all correspondence during the year 1918 between the Government or any member thereof and representatives of the Inside Civil Service relating to increased remuneration for Civil Servants. Presented September 18, 1919.—*Mr. Steele*.*Not printed.*
57. Return to an Order of the House of the 12th May, 1919, for a Return showing:—
1. Number of actions taken against cold storage firms, companies or proprietors, for contravention of the food laws, since 1914.
2. Complaints made against said companies or proprietors.
3. Names of the firms against whom action was taken.
4. What punishments, fines or reprimands were imposed on such firms or persons.
5. Details of the actions, warnings or punishments imposed on cold storage plants in Montreal, Quebec and Three Rivers during these years. Presented September 18, 1919.—*Mr. Deslauriers*.*Not printed.*
58. Return to an Order of the House of the 24th March, 1919, for a Return showing:—
1. What Members of the Government have had their speeches or addresses printed and published at public cost since 1st August, 1914.
2. Amount expended by the Government for the printing, publication and distribution of these speeches and addresses. Presented September 18, 1919.—*Mr. Proulx*.
Not printed.
59. Return to an Order of the House of the 31st March, 1919, for a Return showing the number of persons employed in the entire Civil Service of Canada on the first day of October, 1911. Presented September 18, 1919.—*Mr. Tobin*.*Not printed.*
60. Return to an Order of the House of the 13th May, 1918, for a return giving a copy of all complaints, correspondence, letters, memorials, telegrams, etc., since the 1st day of September, 1917, passing between the Post Office Department, the Post Office Inspector for Nova Scotia, and any other person or persons relating to the Post Office at Lower L'Ardoise, Nova Scotia. Presented September 18, 1919.—*Mr. McKenzie*.
Not printed.
61. Return to an Order of the House of the 23rd April, 1919, for a copy of all instructions sent to Post Office Inspector relating to the appointment of Postmasters in the rural districts. Presented September 18, 1919.—*Mr. Sinclair (Antigonish)*.
Printed for distribution to Senators and Members only.

CONTENTS OF VOLUME 1—*Continued.*

62. Supplementary Return to an Address to His Excellency the Governor General of the 19th March, 1919, for a copy of all correspondence between the Minister of Trade and Commerce or any officials of the Government and the Board of Grain Supervisors and Board of Grain Commissioners regarding the commandeering of wheat in 1916, and a copy of the Order in Council authorizing same. Presented September 18, 1919.—*Mr. Stevens.* *Not printed.*
63. Return to an Order of the House of the 19th March, 1919, for a copy of a memorial submitted by Dr. McGill, Secretary of the Winnipeg Grain Exchange, to the Right Honourable Sir George E. Foster, Minister of Trade and Commerce, setting forth some reasons for the appointment of a Board of Grain Supervisors, which was later given effect by Order in Council. Presented September 18, 1919.—*Mr. Stevens.* *Not printed.*
64. Return to an Address to His Excellency the Governor General, of the 19th March, 1919, for a copy of the Order in Council authorizing the Board of Grain Commissioners to investigate county and public terminal elevators, transportation, etc., of Canadian grain, and also a copy of all correspondence, letters and telegrams referring to same. Presented September 18, 1919.—*Mr. Stevens.* *Not printed.*
65. Return to an Order of the House of the 19th May, 1919, for a Return showing:—
 1. Amount of money paid by the Government, or any Government Departments or Commissions appointed by the Government, in connection with the Canadian War Loans since the commencement of the war for the following years: 1914-15-16-17 and 18, respectively.
 2. To whom it was distributed.
 3. Names of the different persons, or firms, to whom these amounts were paid. Presented September 18, 1919.—*Mr. Casgrain.*
Printed for distribution to Senators and Members only.
66. Return to an Order of the House of the 12th June, 1919, for a copy of all correspondence, telegrams, petitions or other papers or documents on file in the Department of Naval Service, dated since January 1, 1917, relating to the closing and sale of Lobster Hatcheries on the Coast of the Maritime Provinces. Presented September 18, 1919.—*Mr. Sinclair (Antigonish).* *Not printed.*
67. Return to an Order of the House of the 11th June, 1919, for a Return showing:—
 1. Number of licenses to operate purse or drag seines on the Pacific Coast and adjacent waters, issued this year, to whom they were issued, and on what dates.
 2. Whether any of the licensees are returned soldiers. If so, what their names are.
 3. New licenses issued this year, to whom, and whether they were returned soldiers.
 4. Names of the applicants, and the territory applied for in each case.
 5. Names of the returned soldiers who were sole applicants for particular sections.
 6. Whether their applications were refused in any or every case. If so, for what reason. Presented September 18, 1919.—*Mr. Robb.* *Not printed.*
68. Return to an Order of the House of the 31st March, 1919, for a copy of all papers, records and other documents, in the case of His Majesty the King, Appellant, and Pierre Edouard Emile Belanger, Respondent, now pending in the Supreme Court of Canada. Presented September 18, 1919.—*Mr. Lemieux.*
Not printed.
69. Copy of Extracts from instructions to Dominion Police, Special Service Branch. Presented by Hon. Mr. Doherty, September 19, 1919. *Not printed.*
70. Statement of Expenditure on account of "Miscellaneous Unforeseen Expenses," since last Session of Parliament, in accordance with the appropriation Act No. 1, 1919. Presented by Hon. Mr. Maclean, September 19, 1919.
Not printed.
71. Statement of Governor General's Warrants issued since the last Session of Parliament on account of 1919-20. Presented by Hon. Mr. Maclean, September 19, 1919.
Not printed.
72. Statement of Superannuation and Retiring Allowances in the Civil Service during the year ending 31st December, 1919, showing name, rank, salary, service, allowance and cause of retirement of each person superannuated or retired, also whether vacancy has been filled by promotion or by appointment, and the salary of any new appointee. Presented by Hon. Mr. Maclean, September 19, 1919.
Not printed.
73. Return to an Order of the House of the 15th September, 1919, for a copy of all letters, telegrams, documents and all other papers exchanged between the Department of Marine and Fisheries and the Harbour Commission of Montreal, relating to the new by-law No. 92 increasing the wharfage rates. Presented September 22, 1919.—*Mr. Lemieux.* *Not printed.*

CONTENTS OF VOLUME 1—*Continued.*

74. Return to an Order of the Senate, dated September 5, 1919, showing:—
The quantity and value of wheat, butter, cheese, pork, cattle and food products generally exported to foreign countries since the 1st of January, 1919.—(*The Senate*). September 24, 1919. *Not printed.*
75. Return to an Order of the House of the 23rd April, 1919, for a copy of (a) Circular, supposed of German inspiration, containing ten suggestions, surreptitiously distributed among the Canadian troops about the time of the battle of St. Julien, depreciating the Canadian rifle. (b) Reports by Colonel Primsmall, a British officer, showing comparative and competitive tests between the Canadian rifle and the British (improved) Lee-Enfield rifle, both using the defective ammunition and also good ammunition. (c) Any other reports or authentic data comparing the two rifles in regard to rapidity of fire, accuracy of fire, endurance, jamming, etc. (d) Reports showing various brands of ammunition supplied by the British to their own troops and to the Canadians, also marking which were defective, irregular in size and with cases too highly annealed or were otherwise unsafe or unfit for use. (e) Reports of evidence giving instances where splendid troops of the British Service armed with the Lee-Enfield rifle suffered disaster through jamming of the Lee-Enfield rifle owing to bad ammunition. (f) Reports showing that ammunition of every nation, both in the allied and enemy service, at times caused jamming through defects or dirt. (g) Reports of the withdrawal from service by order of the British authority of the defective brands of ammunition. (h) Evidence as to the finding among the Canadian troops armed with the Canadian rifle of thousands of the defective ammunition mixed with the good ammunition long after the order to withdraw the defective ammunition, and the absence of any defective ammunition in the Canadian battalions armed with the Lee-Enfield rifle. (i) Report by Colonel Embury, now Brigadier-General Embury, and officers of the 28th Canadian Battalion, of the finding of brands of the defective ammunition mixed with the good ammunition the morning that splendid battalion distinguished itself when a mine was blown up under them. (j) The reasons assigned by the, then, Minister of Militia on finding that many of the Canadian soldiers were honestly and innocently prejudiced against the Canadian rifle owing to enemy reports whispered against it and his determination not to ask any man, under such circumstances to carry a rifle in which he had not the fullest confidence. (k) Evidence showing the unauthorized action of certain parties in England in hardening parts of the bolt action of the Canadian rifle to extreme brittleness thus ruining the rifle after these rifles had left Canada in perfect condition. Presented September 24, 1919.—(*Sir Sam Hughes*) *Not printed.*
76. Return to an Order of the House of the 23rd June, 1919, for a copy of all correspondence, reports, telegrams, findings and other papers connected with an application for a pension made by Charles Walker, a Guard in the Detention Camp at Amherst, N.S. Presented September 24, 1919.—(*Mr. Sinclair (Antigonish)*). *Not printed.*
77. Copy of Order in Council P.C. 1485, dated 15th July, 1919, Regulations for a Cost of Living Bonus for employees in the Civil Service of Canada. Presented by Hon. Mr. Maclean, September 29, 1919. *Not printed.*
78. Report of the Civil Service Commission on the Classification of the Civil Service of the Dominion of Canada, September, 1919, as authorized by the Parliament of Canada. Presented by Hon. Mr. Maclean, October 1, 1919. *Printed for distribution only.*
- 78a. Return to an Order of the House of the 27th October, 1919, for a Return showing:—
1. Names of the so-called experts appointed to prepare the classification of the Civil Service, as authorized by Parliament.
2. Their occupation previous to their appointment for this work.
3. Their qualifications and experience for doing such work.
4. By whom they have been recommended for such appointment.
5. Whether the Canadian Government is aware that the American Government rejected the classification of their Civil Service made by the firm of Arthur Young & Company.
6. Whether the so-called experts for the classification of the Canadian Civil Service are members of the said firm of Arthur Young & Company. Presented October 29, 1919.—(*Mr. Ethier*) *Not printed.*
- 78b. Return to an Order of the House of the 27th October, 1919, for a Return showing:—
1. Total cost of the classification of the Civil Service, as authorized by Parliament, and prepared under the direction of the Civil Service Commission, up to date.
2. Total cost of the stationery and printing of the first report made by the so-called experts appointed for that purpose; also the cost of the table of classification and salaries, forming the schedule of the said report already laid before the House by the Civil Service Commission, and which has been rejected and recognized unacceptable.

CONTENTS OF VOLUME 1—Continued.

3. Total amount paid to the so-called experts to date, and the number of days that they worked to prepare the said classification of the Civil Service of Canada.
4. Their salary, by day and by hour.
5. How many Clerks were employed by them, and what amount has been paid them to date.
6. Whether these so-called experts are of British origin or American.
7. If the latter, why this work has been given to American rather than British citizens. Presented October 29, 1919.—*Mr. Ethier*.*Not printed.*
79. Memoranda of the Board of Grain Supervisors for Canada, issued at Winnipeg, Man., November 15, 1917. Presented by Sir George Foster, October 1, 1919.*Not printed.*
80. Memoranda of the Canadian Wheat Board issued at Winnipeg, Man., 1919-1920. Presented by Sir George Foster, October 1, 1919.*Not printed.*
81. Return to an Order of the House of the 18th September, 1919, for a copy of all the reports made to the Government by Dr. R. J. McFall, Cost of Living Commissioner. Presented October 3, 1919.—*Mr. Archambault*.*Not printed.*
82. Return to an Order of the House of the 15th September, 1919, for a Return showing:—
 1. Since the year 1910, what sums of money have been appropriated or voted by Parliament for improvements to harbour at Port Stanley.
 2. In what years (if any) votes for such work were passed, and what the respective amounts were.
 3. What amounts (if any) of such appropriations have been expended, and what has been the purpose and character of the works performed.
 4. Since the year 1910 whether the Government, in view of repeated representations made to them by various deputations who have waited on them, to petitions of Boards of Trade, Municipalities and others, urging the need of definite, permanent harbour improvements to efficiently serve the requirements of transportation offered at Port Stanley, have instructed their engineers to examine and report as to the needs of the situation.
 5. If so, what improvements have been recommended, and what the estimated cost thereof was.
 6. Whether the Government's attention has been drawn to the serious inconvenience to international transportation at Port Stanley during the months of July and August, 1919, by the blocking of the channel, so that the Steamer *Roosevelt*, running from Cleveland, Ohio, suffered damage and was seriously inconvenienced in delivering her passengers and freight at the port.
 7. What steps, if any, have been taken by the Government to correct the grievances and what action is contemplated to make the harbour safe to receive the traffic by steamboat and otherwise that seeks entrance and exit at this port. Presented October 3, 1919.—*Mr. Glass*.*Not printed.*
83. Return to an Order of the House of the 15th September, 1919, for a copy of all letters, documents, reports and all other papers exchanged between the Post Office at Ottawa and the Post Office Inspector of St. John, N.B., relating to the location of the Ste. Anne de Kent Post Office, in the County of Kent, New Brunswick. Presented October 3, 1919.—*Mr. Leger*.*Not printed.*
84. Return to an Order of the Senate, dated September 23, 1919, showing:—

A statement giving weight and value, also the import duty paid on the importations into Canada of mixed fertilizers, also of sulphate of ammonia, nitrate of soda, ammoniates, phosphate rock, superphosphates, kanite or potash salts, chloride of potash and crude sulphate of potash, and of any miscellaneous chemicals as are used in the manufacture of artificial fertilizers for the fiscal year ending March 31, 1919, and for each month of the unexpired year to date.—*The Senate*.*Not printed.*
85. Joint Report of the International Boundary Commission upon the Survey and Demarcation of the International Boundary between the United States and Canada along the 141st meridian from the Arctic Ocean to Mount St. Elias, with a accompanying atlas. Presented by Hon. Mr. Meighen, October 7, 1919.*Not printed.*
86. Return to an Order of the House of the 15th September, 1919, for a Return showing:—
 1. Names of members of the Government who went to Europe at Canada's expense during that period of time commencing with the beginning of the Great War up to the 1st September, 1919.
 2. Number of trips made by each of such members.
 3. Total cost of the various trips made by each member.
 4. Total cost of each trip. Presented October 10, 1919.—*Mr. Archambault*.*Not printed.*

CONTENTS OF VOLUME 1—*Continued.*

87. Return to an Order of the House of September 18, 1919, for a copy of all correspondence exchanged between the Dominion Government and the various provincial executives in connection with the promotion of technical education. Presented October 10, 1919.—*Mr. Lemieux*. *Not printed.*
88. Return to an Order of the House of the 29th September, 1919, for a copy of all telegrams, letters and other correspondence and documents exchanged between Mr. Boulay, ex-M.P., and the Post Office Department in connection with the Sayabec Post Office and the Sayabec Station Post Office. Presented October 10, 1919.—*Mr. Brouillard*. *Not printed.*
89. Return to an Order of the House of the 18th September, 1919, for a return showing the number of timber and mining areas (licenses) in the Provinces of British Columbia and Alberta, on which arrears of yearly rentals were allowed to remain unpaid and not cancelled, during the years 1915, 1916, 1917, 1918 and 1919; also showing the amounts of such yearly rentals. Presented October 10, 1919.—*Mr. Gauvreau*. *Not printed.*
90. Copy of correspondence regarding the acquisition of the Grand Trunk Railway System by the Government of Canada. Copy of Memoranda accompanying the same. Presented by Hon. Mr. Rowell, October 14, 1919. *Printed for distribution and sessional papers.*
- 90a. (a) Maps showing the companies comprising the Grand Trunk Railway System (1919); (b) Maps showing the Main and Branch Lines of the Grand Trunk Pacific Railway. Presented by Hon. Mr. Reid, October 15, 1919. *Not printed.*
- 90b. Return to an Order of the Senate showing:—
1. The total amount of the cost of the building of the Grand Trunk Pacific Railway and of its branch lines.
 2. The total amount of the present indebtedness of the Grand Trunk Pacific Railway Company, and of the Grand Trunk Pacific branch lines Company, and what portion thereof is owing to the Dominion Government or any of its departments or railways or to the Grand Trunk Railway Company, and amount owing to each.
 3. The total amount of bonds, debentures or other instruments of indebtedness of the Grand Trunk Pacific Railway Company and of the Grand Trunk Pacific branch lines Company now outstanding and guaranteed by the Dominion Government.
 4. The date of maturity of such bonds, debentures or other instruments of indebtedness and what is the rate of interest payable on the same.
 5. The total amount of the bonds, debentures or other instruments of indebtedness of the Grand Trunk Pacific Company and of the Grand Trunk Pacific branch lines now outstanding and guaranteed by the Grand Trunk Railway or by Provincial Governments. If any such bonds, debentures or other instruments of indebtedness carry more than one guarantee, the amount thereof. Has the guarantee been given by the Dominion Government, the Grand Trunk Railway Company or any of the Provincial Governments, and if so, what is the amount thereof in each case, and in what order such guarantees stand.
 6. Any bonds, debentures, notes or other instruments of indebtedness of the Grand Trunk Pacific Railway Company or of the Grand Trunk Pacific branch lines, now outstanding, which have not been guaranteed, and the amount thereof and dates of maturity.
 7. The amount of money paid or disbursed to date by the Dominion Government to or for the Grand Trunk Pacific Railway Company, Grand Trunk Pacific branch lines Company, and Grand Trunk Railway Company, separately, by way of loans, investments or otherwise.
 8. Any bonds, debentures or other instruments of indebtedness of the Grand Trunk Railway Company or of the Grand Trunk Railway System apart from that of the Grand Trunk Pacific Railway Company or of the Grand Trunk branch lines now outstanding and guaranteed by the Dominion Government or any of the Provincial Governments, and the amount thereof in each case, and the date of maturity and the rate of interest.
 9. The amount of the consolidated or funded debt of the Grand Trunk Railway Company and of the Grand Trunk Railway System, apart from that of the Grand Trunk Pacific Railway Company and Grand Trunk Pacific branch lines; what portion in bonds, what portion in debentures or debenture stock, and what portion floating, dates of maturity of each, and rates of interest.
 10. The approximate amount of the current assets and of the current liabilities: 1st, the Grand Trunk Railway Company; 2nd, the Grand Trunk Pacific Railway Company, and Grand Trunk Pacific branch lines Company; and 3rd, of all the other companies forming part of the Grand Trunk System.
 11. Referring to the blue book "Correspondence regarding Grand Trunk Railway Company's Position and Memoranda respecting the Same," printed by Order of Parliament, page 47: (a) What is the first column under heading "Income Account" intended to show different from the second column. (b) What was the total loss or

CONTENTS OF VOLUME 1—Continued.

deficit for each of the years: 1913, 1914, 1915 and 1916, on the operation of the Grand Trunk Pacific Railway. (c) What was the total loss or deficit for each of the years 1913 to 1918, both inclusive, on the operation of the Grand Trunk branch lines Company. (d) How is made up or composed in a summary way the item of \$43,838,831.46 on page 38 of said blue book, and if part of that sum is owing or payable by the Grand Trunk Pacific Railway Company or Grand Trunk Pacific Branch Lines Company, what is the amount thereof.

12. The total cost of the construction of the National Transcontinental; when was it put in operation, and what has been the loss or deficit on the operation thereof each year.

13. The date the Government, through the Commissioners or otherwise, took possession of the Canadian Northern Railway System. Up to what date the loss or deficit on the operation thereof been ascertained, and what has been the loss or deficit on the same, and what sums of money have been expended to date (a) for repairs, and (b) for betterments on said system.—(*The Senate*) *Not printed.*

91. Copy of Order in Council, P.C. 1961, dated 29th September, 1919, appointing an Advisory Board to comply with the requirements of the Proprietary or Patent Medicine Act, Chapter 66, 9-10 George V. Presented by Hon. Mr. Rowell, October 15, 1919.

Not printed.

92. Copy of Order in Council, P.C. 2079, dated 8th October, 1919, appointing members of the Dominion Council of Health pursuant to the provisions of Section 6, Chapter 24, 9-10 George V, "An Act respecting the Department of Health." Presented by Hon. Mr. Rowell, October 15, 1919. *Not printed.*

93. Return to an Order of the House of the 18th September, 1919, for a Return showing:—
1. Whether the Government has leased to private persons or corporations engaged in the lumber business in the City of Ottawa or vicinity, the booms, slides and waterways on the Ottawa and Gatineau Rivers heretofore maintained and administered by the Ottawa Rivers works branch of the Department of Public Works.

2. If so, the consideration paid for such lease or transfer, who the lessees or transferees are and for what period of time such lease or transfer runs.

3. The cost of these improvements made on both rivers to the people of Canada, including the maintenance and administration thereof since same were constructed, to date.

4. Whether the Hon. F. B. Carvell had any authority from Parliament to so dispose of public works constructed and maintained out of the revenue of Canada. If so, when such authority was granted.

5. What dues were charged lumber firms and others for the use of these works on both rivers during the past twenty years.

6. Whether the dues have ever been increased to cover the increased cost of maintenance and administration.

7. If such dues had been reasonably increased, whether the amount thereof would not have been sufficient to pay for maintenance and administration.

8. Whether tenders were called for the acquiring of these public waterways by lumber firms and others, or whether they were disposed of privately.

9. What provision is made for the large number of employees of this branch of the Public Works Department, many of whom have served over twenty-five years. Presented October 15, 1919.—(*Mr. Fripp*) *Not printed.*

94. Return to an Order of the House of the 15th September, 1919, for a copy of the pay-lists in connection with the construction of the wharf at Cacouna-East, County of Temiscouata, for the years 1914-15, 1915-16, 1916-17 and 1917-18 respecting (a) construction work; (b) timber and other materials for said wharf, and (c) the construction work and materials in connection with the erection of a certain fence upon the site above-mentioned. Presented October 16, 1919.—*Mr. Gauvreau.*

Not printed.

95. Return to an Order of the House of the 3rd October, 1919, for a copy of all correspondence exchanged between the Department of Marine and Fisheries and Mr. Tibbitts, in reference to the finances of the Harbour Commission of Montreal, and also a copy of said Mr. Tibbitt's report to the Deputy Minister of Marine and Fisheries in connection therewith. Presented October 17, 1919.—*Mr. Lemieux.*

Not printed.

96. Copy of Convention between His Majesty George V of the United Kingdom of Great Britain and Ireland, of the British Dominions beyond the seas, King, Emperor of India, and the United States of America, providing effective measures for the protection, preservation and propagation of the salmon fisheries of the Fraser River System. Presented by Hon. Mr. Doherty, October 17, 1919.

Printed for distribution and sessional papers.

97. Copy of Appendices to Report of the Department of Soldiers' Civil Re-establishment. Presented by Mr. Clark, Parliamentary Secretary, Department of Militia and Defence, October 27, 1919. *Not printed.*

CONTENTS OF VOLUME 1—*Continued.*

- 98.** Return to an Order of the Senate of the 30th September, 1919, showing:—
 (1). The number of Chemical Bait Freezers erected in Nova Scotia, New Brunswick and Prince Edward Island, which between 1909 and 1919, inclusive, (a) Applied for Government assistance; (b) Were granted Government assistance; (c) Were refused Government assistance.
 (2). The names and addresses of the persons in each case who made application and, in cases in which assistance was refused, the reasons for refusal.—(*The Senate*).
Not printed.
- 99.** Also, Order in Council, P.C. 2198, dated 25th October, 1919; respecting the renewal of the arbitration agreement between His Majesty's Government and the Italian Government.—(*The Senate*) *Not printed.*
- 99a.** Copy of Order in Council, P.C. 2198, dated 25th October, 1919, concurring in the action taken by His Majesty's Government regarding the prolongation for a further period of five years of the arbitration agreement concluded between His Majesty's Government and the Italian Government on the 1st February, 1914, and renewed in January, 1914. Presented by Hon. Mr. Doherty, November 10, 1919.
Not printed.
- 100.** Return to an Order of the House of the 9th October, 1919, for a Return showing:—
 1. The value of hides exported from Canada since the embargo recently placed on their export.
 2. The value of leather exported since said embargo.
 3. Whether such export, if any, takes place under license.
 4. The number of applications, if any, for licenses, which have been refused.
 Presented October 31, 1919.—*Mr. McMaster*. *Not printed.*
- 101.** Copy of the Report of the Royal Commission appointed to inquire into the action taken with regard to the St. Stanislaus' Novitiate at Guelph, Ontario. Presented by Hon. Mr. Burrell, November 3, 1919. *Not printed.*
- 102.** Return to an Order of the Senate, dated October 1, 1919, showing:—
 A statement of imports of petroleum oils and spirits for the fiscal year ending March 31, 1919, and for each month of the unexpired year to date.—*The Senate*.
Not printed.
- 103.** Return to an Order of the House of the 27th October, 1919, for a Return showing:—
 1. During the present year, whether a letter was written by the President of the Privy Council to the other members of the Government, advising them that the Privy Council, upon the recommendation of the Repatriation Committee, had approved of an agreement being entered into with The Patheoscope Company to provide a Canadian Weekly News Film Service for the moving picture theatres of Canada, and that the supervision of this work would be under the Department of Public Information.
 2. Terms of the agreement entered into with The Patheoscope Company, and how much has been paid the company to date.
 3. Whether any further amount beyond that paid to The Patheoscope Company was expended by the Department of Public Information in connection with the moving picture business, and if so, how much.
 4. Whether at the time the above letter was written by the President of the Privy Council, and the agreement made by him with The Patheoscope Company, another Department of the Government was equipped with a moving picture outfit. If so, which Department, and what its moving picture outfit cost.
 5. Why it was not authorized to handle the class of work for which the contract was given to The Patheoscope Company.
 6. When the contract with The Patheoscope Company will expire.
 7. Whether The Patheoscope Company is located in Toronto. If so, who its officers and shareholders are.
 8. Who represented The Patheoscope Company in the negotiations with the President of the Privy Council, and by whom the agreement was drawn. Presented October 5, 1919.—*Mr. Duff*. *Not printed.*
- 104.** Return showing all lands sold by the Canadian Pacific Railway Company from October 1, 1918, to 30th September, 1919, inclusive, together with the names of the purchasers, in accordance with the Statutes of Canada, 1886, Chapter 9, Section 8. Presented by Hon. Mr. Meighen, November 7, 1919. *Not printed.*
- 105.** Return showing:—
 1. Whether tenders were submitted to the Department of Public Printing and Stationery on September 25, September 29, and October 16, 1919, respectively, for the following supplies of envelopes: 1 Mil. 100M. No. 11 White Wove Envelopes; 1 Mil. 100M. No. 8 White Wove Envelopes; 1 Mil. No. 11 Manilla Envelopes; 100M. No. 14 White Wove Envelopes; 300M. No. 12 White Wove Envelopes; 1 Mil. No. 7 Manilla Envelopes.

CONTENTS OF VOLUME 1—*Concluded.*

2. If so, how many tenders were submitted in each case; who the tenderers were, and their prices; and to whom the contract was awarded in each case.

3. If, in any instance, the lowest tender was not accepted, why an award was made to a higher tenderer. Presented November 10, 1919.—*Mr. Murphy.*

Not printed.

- 106.** Return to an Order of the House of the 6th October, 1919, for a copy of all correspondence between the Post Office Department and the Post Mistress at the Head of East Bay, Cape Breton County, Nova Scotia, in regard to the mail service between the Head of East Bay and Christmas Island, and also of all other letters, petitions and correspondence received by the Post Office Department relative to this matter, since the 1st of January, A.D., 1915, to date. Presented November 10, 1919.—*Mr. McKenzie* *Not printed.*
- 107.** Return to an Order of the House of the 8th October, 1919, for a copy of all correspondence, petitions, plans, specifications, etc., in connection with a request of Fraser & Co., of Cabano, Que., for aid or subsidies for the construction of a lock or dam on Touladi River, which flows into Lake Temiscouata, Que. Presented November 10, 1919.—*Mr. Gouvreau* *Not printed.*
- 108.** Return to an Order of the House of the 20th October, 1919, for a copy of all papers, correspondence, plans, schedules, drafts of classification, and all other documents respecting the re-classification of the House of Commons permanent employees of all grades, sent by any official of the House of Commons to the Board of Civil Service Commissioners, or to the experts engaged by the said Board to re-classify the Civil Service of Canada. Presented November 10, 1919.—*Mr. Tobin.*

Not printed.

FURTHER SUPPLEMENTARY ESTIMATES

FOR THE FISCAL YEAR ENDING MARCH 31, 1920.

(Special Session 1919-20.)

No. of Vote.	Service.	% cts.	\$ cts.	% cts.
CIVIL GOVERNMENT.				
536	Civil Service Commission— Amount required to cover estimated cost of various changes in Printing Bureau, to enabl. proposed re-organization to be carried out			276,000 00
LEGISLATION.				
HOUSE OF COMMONS.				
537	To provide payment for the sessional indemnity of Members of the House of Commons, that is to say, for days lost through absence caused by illness, public business, or being engaged in necessary farming operations or on account of death, notwithstanding anything to the contrary in the Senate and House of Commons Act, Revised Statutes of Canada, 1906 Cap. 10,—Payment in case of death to be made as the Treasury Board may direct.			10,000 00
LABOUR.				
538	Further amount required to defray expenses of Industrial Relations' Commission.....		5,000 00	
5	Further amount required to defray expenses of National Conference, and for printing of proceedings.....		5,000 00	
540	Amount required to defray expenses of Canadian delegates, and advisers, to International Labour conference at Washington		25,000 00	
541	Additional amount required for the remainder of the fiscal year to defray expenses of the Director of Coal operations, and staff, in Alberta, and for printing, stationery, and clerical assistance, not otherwise provided for.....		25,000 00	60,000 00
DOMINION LANDS AND PARKS.				
542	Amount required to provide relief by way of necessary supplies of food, clothing, fuel, etc., also fodder for animals to needy settlers of the Provinces of Alberta and Saskatchewan by co-operation and agreement with the Provincial Governments or otherwise, and under regulations to be made by the Governor in Council.....			2,000,000 00
SOLDIERS' LAND SETTLEMENT.				
543	Advances to soldiers settling upon the land, and cost of administering <i>The Soldier Settlement Acts of 1917 and 1919</i> , including clerical assistance. Further amount required			20,000,000 00
SOLDIERS' CIVIL RE-ESTABLISHMENT.				
544	To carry out the recommendations of the report of the committee on Bill No. 10 (<i>Soldiers' Civil Re-establishment</i>).....			40,000,000 00
Total.....				62,346,000 00

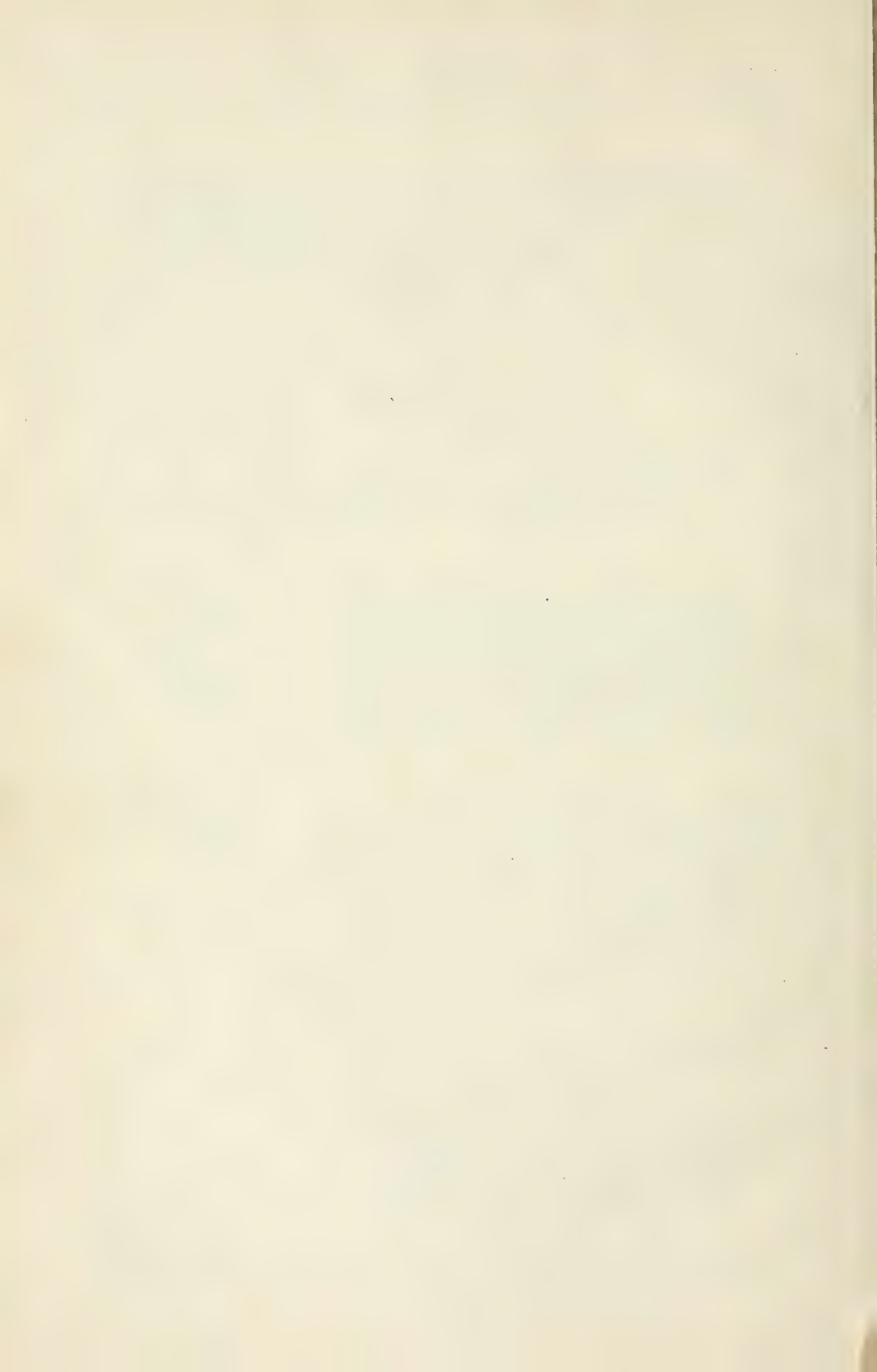


FURTHER SUPPLEMENTARY ESTIMATES

FOR THE FISCAL YEAR ENDING MARCH 31, 1920.

(Special Session 1919-20.)

No. of Vote.	Service.	\$ cts.		\$ cts.		\$ cts.	
	CIVIL GOVERNMENT.						
545	Department of Indian Affairs— To provide for the appointment of J. C. Caldwell, to First Division, Subdivision B, at the rate of \$2,500 per annum, from August 12, 1919.					1,592	75
	LEGISLATION.						
	HOUSE OF COMMONS.						
	Sessional Clerks—Further amount required.			12,000	00		
	To provide for a service of Stenography and Typewriting for the use of Members—Further amount required.			12,000	00		
	To provide for payment of allowance to the acting Deputy Sergeant-at-Arms—Further amount required.			200	00		
	Two expresses between House and Government Printing Office—Further amount required.			420	00		
	Publishing Debates—Further amount required.			25,000	00		
546	To provide for clerical assistance to the Leader of the Opposition from 1st November, 1919, to 31st March, 1920.			1,041	67		
	Sergeant-at-Arms.						
	Doorkeepers—Further amount required.			510	00		
	Sessional Messengers—Further amount required.			11,280	00		
	Pages—Further amount required.			2,100	00		
	Servants—Bathrooms, washrooms, etc.—Further amount required.			1,255	00		
	Additional charwomen during session at \$1 per diem. Further amount required.			2,040	00		
	Attendant at electric light at \$1.50 per diem. Further amount required.			90	00		
	Bookkeepers in Messengers' Room at \$4.25 per diem. Fur- ther amount required.			510	00		
	RAILWAYS AND CANALS—CHARGEABLE TO INCOME.					68,416	67
547	To provide for payment of expenses in connection with acquisition of the Grand Trunk and associated Railway Systems.					50,000	00
	DOMINION LANDS AND PARKS.						
548	Further amount required to meet uncollected portion of ad- vances of seed grain made in the Western Provinces by the chartered banks to holders of unpatented Dominion lands under the guarantee of the Dominion Govern- ment, also including commission payable to banks for collection, fees to secretary-treasurers of municipalities and officers of the Provincial Departments of Agricul- ture and clerical assistance.					450,000	00
	Total.					570,039	42



TREATY OF PEACE

BETWEEN THE

ALLIED AND ASSOCIATED POWERS AND GERMANY

AND

PROTOCOL

SIGNED AT VERSAILLES, JUNE 28, 1919

PRINTED BY ORDER OF PARLIAMENT.



OTTAWA

J. DE LABROQUERIE TACHÉ
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1919



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- Sessional Paper No. 41c.**—Letter to the President of the German Delegation covering the reply of the Allied and Associated Powers.
- Sessional Paper No. 41d.**—Reply of the Allied and Associated Powers to the observations of the German Delegation on the conditions of Peace.
- Sessional Paper No. 41e.**—Treaty between the United States of America, the British Empire, France, Italy, Japan and Poland, signed at Versailles, June 28, 1919.



Treaty of Peace between the Allied and Associated Powers and Germany, signed at Versailles, June 28, 1919.

[41]

The United States of America, The British Empire, France, Italy and Japan,

These Powers being described in the present Treaty as the Principal Allied and Associated Powers,

Belgium, Bolivia, Brazil, China, Cuba, Ecuador, Greece, Guatemala, Haiti, The Hedjaz, Honduras, Liberia, Nicaragua, Panama, Peru, Poland, Portugal, Roumania, The Serb-Croat-Slovene State, Siam, Czecho-Slovakia and Uruguay.

These Powers constituting with the Principal Powers mentioned above the Allied and Associated Powers,

of the one part;

And Germany,

of the other part;

Bearing in mind that on the request of the Imperial German Government an Armistice was granted on November 11, 1918, to Germany by the Principal Allied and Associated Powers in order that a Treaty of Peace might be concluded with her, and

The Allied and Associated Powers being equally desirous that the war in which they were successively involved directly or indirectly and which originated in the declaration of war by Austria-Hungary on July 28, 1914, against Serbia, the declaration of war by Germany against Russia on August 1, 1914, and against France on August 3, 1914, and in the invasion of Belgium should be replaced by a firm, just and durable Peace.

For this purpose the HIGH CONTRACTING PARTIES represented as follows:

The President of the United States of America, by:

The Honourable Woodrow WILSON, PRESIDENT OF THE UNITED STATES, acting in his own name and by his own proper authority;

The Honourable Robert LANSING, Secretary of State;

The Honourable Henry WHITE, formerly Ambassador Extraordinary and Plenipotentiary of the United States at Rome and Paris;

The Honourable Edward M. HOUSE;

General Tasker H. BLISS, Military Representative of the United States on the Supreme War Council;

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions Beyond the Seas, Emperor of India, by:

The Right Honourable David LLOYD GEORGE, M.P., First Lord of His Treasury and Prime Minister;

The Right Honourable Andrew BONAR LAW, M.P., His Lord Privy Seal;

The Right Honourable Viscount MILNER, G.C.B., G.C.M.G., His Secretary of State for the Colonies;

The Right Honourable Arthur James BALFOUR, O.M., M.P., His Secretary of State for Foreign Affairs;

The Right Honourable George Nicoll BARNES, M.P., Minister without portfolio;

And

10 GEORGE V, A. 1919

for the Dominion of Canada, by:

The Honourable Charles Joseph DOHERTY Minister of Justice;
The Honourable Arthur Lewis SIFTON, Minister of Customs;

for the Commonwealth of Australia, by:

The Right Honourable William Morris HUGHES, Attorney General and Prime Minister;
The Right Honourable Sir Joseph COOK, G.C.M.G., Minister for the Navy;

for the Union of South Africa, by:

General the Right Honourable Louis BOTHA, Minister of Native Affairs and Prime Minister;
Lieutenant-General the Right Honourable Jan OHRISTIAN SMUTS, K.C., Minister of Defence;

for the Dominion of New Zealand, by:

The Right Honourable William Ferguson MASSEY, Minister of Labour and Prime Minister;

for India, by:

The Right Honourable Edwin Samuel MONTAGUE, M.P., His Secretary of State for India;
Major-General His Highness Maharaja Sir Ganga Singh Bahadur, Maharaja of BIKANER, G.C.S.I., G.C.I.E., G.C.V.O., K.C.B., A.D.C.;

The President of the French Republic, by:

Mr. Georges CLEMENCEAU, President of the Council, Minister of War;
Mr. Stephen PICHON, Minister for Foreign Affairs;
Mr. Louis-Lucien KLOTZ, Minister of Finance;
Mr. André TARDIEU, Commissary General for Franco-American Military Affairs;
Mr. Jules CAMBON, Ambassador of France;

His Majesty the King of Italy, by:

Baron S. SONNINO, Deputy;
Marquis G. IMPERIALI, Senator, Ambassador of His Majesty the King of Italy at London;
Mr. S. CRESPI, Deputy;

His Majesty the Emperor of Japan, by:

Marquis SAIONJI, formerly President of the Council of Ministers;
Baron MAKINO, formerly Minister for Foreign Affairs, Member of the Diplomatic Council;
Viscount CHINDA, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at London;
Mr. K. MATSUI, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at Paris;
Mr. H. IJUN, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at Rome;

His Majesty the King of the Belgians, by:

Mr. Paul HYMANS, Minister for Foreign Affairs, Minister of State;
Mr. Jules van den HEUVEL, Envoy Extraordinary and Minister Plenipotentiary, Minister of State;
Mr. Emile VANDERVELDE, Minister of Justice, Minister of State;

SESSIONAL PAPER No. 41

The President of the Republic of Bolivia, by:

Mr. Ismael MONTES, Envoy Extraordinary and Minister Plenipotentiary of Bolivia at Paris;

The President of the Republic of Brazil, by:

Mr. João Pandiá CALOGERAS, Deputy, formerly Minister of Finance;
Mr. Raul FERNANDES, Deputy;
Mr. Rodrigo Octavio de L. MENEZES, Professor of International Law at Rio de Janeiro;

The President of the Chinese Republic, by:

Mr. LOU Tseng-Tsiang, Minister for Foreign Affairs;
Mr. Chengting Thomas WANG, formerly Minister of Agriculture and Commerce;

The President of the Cuban Republic, by:

Mr. Antonio Sánchez de BUSTAMANTE, Dean of the Faculty of Law in the University of Havana, President of the Cuban Society of International Law;

The President of the Republic of Ecuador, by:

Mr. Enrique DORN DE ALSÚA, Envoy Extraordinary and Minister Plenipotentiary of Ecuador at Paris;

His Majesty the King of the Hellenes, by:

Mr. Eleftherios K. VENISÉLOS, President of the Council of Ministers;
Mr. Nicolas POLITIS, Minister for Foreign Affairs;

The President of the Republic of Guatemala, by:

Mr. Joaquin MÉNDEZ, formerly Minister of State for Public Works and Public Instruction, Envoy Extraordinary and Minister Plenipotentiary of Guatemala at Washington, Envoy Extraordinary and Minister Plenipotentiary on special mission at Paris ;

The President of the Republic of Haiti, by:

Mr. Tertullien GUILBAUD, Envoy Extraordinary and Minister Plenipotentiary of Haiti at Paris;

His Majesty the King of the Hedjaz, by:

Mr. Rustem HAÏDAR;
Mr. Abdul Hadi AOUNI;

The President of the Republic of Honduras, by:

Dr. Policarpo BONILLA, on special mission to Washington, formerly President of the Republic of Honduras, Envoy Extraordinary and Minister Plenipotentiary;

The President of the Republic of Liberia, by:

The Honourable Charles Dunbar Burgess King, Secretary of State;

The President of the Republic of Nicaragua, by:

Mr. Salvador CHAMORRO, President of the Chamber of Deputies;

The President of the Republic of Panama, by:

Mr. Antonio BURGOS, Envoy Extraordinary and Minister Plenipotentiary of Panama at Madrid;

10 GEORGE V, A. 1919

The President of the Republic of Peru, by:

Mr. Carlos G. CANDAMO, Envoy Extraordinary and Minister Plenipotentiary of Peru at Paris;

The President of the Polish Republic, by:

Mr. Ignace J. PADEREWSKI, President of the Council of Ministers, Minister for Foreign Affairs;

Mr. Roman DMOWSKI, President of the Polish National Committee;

The President of the Portuguese Republic, by:

Dr. Affonso Augusto DA COSTA, formerly President of the Council of Ministers;

Dr. Augusto Luiz Vieira SOARES, formerly Minister for Foreign Affairs;

His Majesty the King of Roumania, by:

Mr. Ion I. C. BRATIANO, President of the Council of Ministers, Minister for Foreign Affairs;

General Constantin COANDA, Corps Commander, A.D.C. to the King, formerly President of the Council of Ministers;

His Majesty the King of the Serbs, the Croats, and the Slovenes, by:

Mr. Nicolas P. PACHITCH, formerly President of the Council of Ministers;

Mr. Ante TRUMBIC, Minister for Foreign Affairs;

Mr. Milenko VESNITCH, Envoy Extraordinary and Minister Plenipotentiary of H. M. the King of the Serbs, the Croats and the Slovenes at Paris;

His Majesty the King of Siam, by:

His Highness Prince CHAROON, Envoy Extraordinary and Minister Plenipotentiary of H. M. the King of Siam at Paris;

His Serene Highness Prince Traidos PRABANDHU, Under Secretary of State for Foreign Affairs;

The President of the Czecho-Slovak Republic, by:

Mr. Karel KRAMAR, President of the Council of Ministers;

Mr. Eduard BENES, Minister of Foreign Affairs;

The President of the Republic of Uruguay, by:

Mr. Juan Antonio BUERO, Minister for Foreign Affairs, formerly Minister of Industry;

Germany, by:

Mr. Hermann MÜLLER, Minister for Foreign Affairs of the Empire;

Dr. BELL, Minister of the Empire;

Acting in the name of the German Empire and of each and every component State,

Who having communicated their full powers found in good and due form have AGREED AS FOLLOWS:

From the coming into force of the present Treaty the state of war will terminate. From that moment and subject to the provisions of this Treaty official relations with Germany, and with any of the German States, will be resumed by the Allied and Associated Powers.

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PART I.

THE COVENANT OF THE LEAGUE OF NATIONS.

THE HIGH CONTRACTING PARTIES,

In order to promote international co-operation and to achieve international peace and security

by the acceptance of obligations not to resort to war,
by the prescription of open, just and honourable relations between nations,
by the firm establishment of the understandings of international law as the actual rule of conduct among Governments, and
by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another,
Agree to this Covenant of the League of Nations.

ARTICLE 1.

The original Members of the League of Nations shall be those of the Signatories which are named in the Annex to this Covenant and also such of those other States named in the Annex as shall accede without reservation to this Covenant. Such accession shall be effected by a Declaration deposited with the Secretariat within two months of the coming into force of the Covenant. Notice thereof shall be sent to all other Members of the League.

Any full self-governing State, Dominion or Colony not named in the Annex may become a Member of the League if its admission is agreed to by two-thirds of the Assembly, provided that it shall give effective guarantees of its sincere intention to observe its international obligations, and shall accept such regulations as may be prescribed by the League in regard to its military, naval and air forces and armaments.

Any Member of the League may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations and all its obligations under this Covenant shall have been fulfilled at the time of its withdrawal.

ARTICLE 2.

The action of the League under this Covenant shall be effected through the instrumentality of an Assembly and of a Council, with a permanent Secretariat.

ARTICLE 3.

The Assembly shall consist of Representatives of the Members of the League.

The Assembly shall meet at stated intervals and from time to time as occasion may require at the Seat of the League or at such other place as may be decided upon.

The Assembly may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

At meetings of the Assembly each Member of the League shall have one vote, and may have not more than three Representatives.

ARTICLE 4.

The Council shall consist of Representatives of the Principal Allied and Associated Powers, together with Representatives of four other Members of the League. These four Members of the League shall be selected by the Assembly from time to time in its discretion. Until the appointment of the Representatives of the four Members of the League first selected by the Assembly, Representatives of Belgium, Brazil, Spain and Greece shall be members of the Council.

With the approval of the majority of the Assembly, the Council may name additional Members of the League whose Representatives shall always be members of the Council; the Council with like approval may increase the number of Members of the League to be selected by the Assembly for representation on the Council.

The Council shall meet from time to time as occasion may require, and at least once a year, at the Seat of the League, or at such other place as may be decided upon.

The Council may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

Any Member of the League not represented on the Council shall be invited to send a Representative to sit as a member at any meeting of the Council during the consideration of matters specially affecting the interests of that Member of the League.

At meetings of the Council, each Member of the League represented on the Council shall have one vote, and may have not more than one Representative.

ARTICLE 5.

Except where otherwise expressly provided in this Covenant or by the terms of the present Treaty, decisions at any meeting of the Assembly or of the Council shall require the agreement of all the Members of the League represented at the meeting.

All matters of procedure at meetings of the Assembly or of the Council, including the appointment of Committees to investigate particular matters, shall be regulated by the Assembly or by the Council and may be decided by a majority of the Members of the League represented at the meeting.

The first meeting of the Assembly and the first meeting of the Council shall be summoned by the President of the United States of America.

ARTICLE 6.

The permanent Secretariat shall be established at the Seat of the League. The Secretariat shall comprise a Secretary General and such secretaries and staff as may be required.

The first Secretary General shall be the person named in the Annex; thereafter the Secretary General shall be appointed by the Council with the approval of the majority of the Assembly.

The secretaries and staff of the Secretariat shall be appointed by the Secretary General with the approval of the Council.

The Secretary General shall act in that capacity at all meetings of the Assembly and of the Council.

The expenses of the Secretariat shall be borne by the Members of the League in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union.

ARTICLE 7.

The Seat of the League is established at Geneva.

The Council may at any time decide that the Seat of the League shall be established elsewhere.

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All positions under or in connection with the League, including the Secretariat, shall be open equally to men and women.

Representatives of the Members of the League and officials of the League when engaged on the business of the League shall enjoy diplomatic privileges and immunities.

The buildings and other property occupied by the League or its officials or by Representatives attending its meetings shall be inviolable.

ARTICLE 8.

The Members of the League recognise that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

The Council, taking account of the geographical situation and circumstances of each State, shall formulate plans for such reduction for the consideration and action of the several Governments.

Such plans shall be subject to reconsideration and revision at least every ten years.

After these plans shall have been adopted by the several Governments, the limits of armaments therein fixed shall not be exceeded without the concurrence of the Council.

The Members of the League agree that the manufacture by private enterprise of munitions and implements of war is open to grave objections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those Members of the League which are not able to manufacture the munitions and implements of war necessary for their safety.

The Members of the League undertake to interchange full and frank information as to the scale of their armaments, their military, naval and air programmes and the condition of such of their industries as are adaptable to war-like purposes.

ARTICLE 9.

A permanent Commission shall be constituted to advise the Council on the execution of the provisions of Articles 1 and 8 and on military, naval and air questions generally.

ARTICLE 10.

The Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Council shall advise upon the means by which this obligation shall be fulfilled.

ARTICLE 11.

Any war or threat of war, whether immediately affecting any of the Members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations. In case any such emergency should arise the Secretary General shall on the request of any Member of the League forthwith summon a meeting of the Council.

It is also declared to be the friendly right of each Member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends.

ARTICLE 12.

The Members of the League agree that if there should arise between them any dispute likely to lead to a rupture, they will submit the matter either to arbitration or to inquiry by the Council, and they agree in no case to resort to war until three months after the award by the arbitrators or the report by the Council.

In any case under this Article the award of the arbitrators shall be made within a reasonable time, and the report of the Council shall be made within six months after the submission of the dispute.

ARTICLE 13.

The Members of the League agree that whenever any dispute shall arise between them which they recognise to be suitable for submission to arbitration and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject-matter to arbitration.

Disputes as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact which if established would constitute a breach of any international obligation, or as to the extent and nature of the reparation to be made for any such breach, are declared to be among those which are generally suitable for submission to arbitration.

For the consideration of any such dispute the court of arbitration to which the case is referred shall be the Court agreed on by the parties to the dispute or stipulated in any convention existing between them.

The Members of the League agree that they will carry out in full good faith any award that may be rendered, and that they will not resort to war against a Member of the League which complies therewith. In the event of any failure to carry out such an award, the Council shall propose what steps should be taken to give effect thereto.

ARTICLE 14.

The Council shall formulate and submit to the Members of the League for adoption plans for the establishment of a Permanent Court of International Justice. The Court shall be competent to hear and determine any dispute of an international character which the parties thereto submit to it. The Court may also give an advisory opinion upon any dispute or question referred to it by the Council or by the Assembly.

ARTICLE 15.

If there should arise between Members of the League any dispute likely to lead to a rupture, which is not submitted to arbitration in accordance with Article 13, the Members of the League agree that they will submit the matter to the Council. Any party to the dispute may effect such submission by giving notice of the existence of the dispute to the Secretary General, who will make all necessary arrangements for a full investigation and consideration thereof.

For this purpose the parties to the dispute will communicate to the Secretary General, as promptly as possible, statements of their case with all the relevant facts and papers, and the Council may forthwith direct the publication thereof.

The Council shall endeavour to effect a settlement of the dispute, and if such efforts are successful, a statement shall be made public giving such facts and explanations regarding the dispute and the terms of settlement thereof as the Council may deem appropriate.

If the dispute is not thus settled, the Council either unanimously or by a majority vote shall make and publish a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard thereto.

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Any Member of the League represented on the Council may make public a statement of the facts of the dispute and of its conclusions regarding the same.

If a report of the Council is unanimously agreed to by the members thereof other than the Representatives of one or more of the parties to the dispute, the Members of the League agree that they will not go to war with any party to the dispute which complies with the recommendations of the report.

If the Council fails to reach a report which is unanimously agreed to by the members thereof, other than the Representatives of one or more of the parties to the dispute, the Members of the League reserve to themselves the right to take such action as they shall consider necessary for the maintenance of right and justice.

If the dispute between the parties is claimed by one of them, and is found by the Council to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the Council shall so report, and shall make no recommendation as to its settlement.

The Council may in any case under this Article refer the dispute to the Assembly. The dispute shall be so referred at the request of either party to the dispute, provided that such request be made within fourteen days after the submission of the dispute to the Council.

In any case referred to the Assembly, all the provisions of this Article and of Article 12 relating to the action and powers of the Council shall apply to the action and powers of the Assembly, provided that a report made by the Assembly, if concurred in by the Representatives of those Members of the League represented on the Council and of a majority of the other Members of the League, exclusive in each case of the Representatives of the parties to the dispute, shall have the same force as a report by the Council concurred in by all the members thereof other than the Representatives of one or more of the parties to the dispute.

ARTICLE 16.

Should any Member of the League resort to war in disregard of its covenants under Articles 12, 13 or 15, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a Member of the League or not.

It shall be the duty of the Council in such case to recommend to the several Governments concerned what effective military, naval or air force the Members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

The Members of the League agree, further, that they will mutually support one another in the financial and economic measures which are taken under this Article, in order to minimise the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking State, and that they will take the necessary steps to afford passage through their territory to the forces of any of the Members of the League which are co-operating to protect the covenants of the League.

Any Member of the League which has violated any covenant of the League may be declared to be no longer a Member of the League by a vote of the Council concurred in by the Representatives of all the other Members of the League represented thereon.

ARTICLE 17.

In the event of a dispute between a Member of the League and a State which is not a Member of the League, or between States not Members of the League, the State or States not Members of the League shall be invited to accept the obligations of membership in the League for the purposes of such dispute, upon conditions as the Council may deem just. If such invitation is accepted, the provisions of Articles 12 to 16 inclusive shall be applied with such modifications as may be deemed necessary by the Council.

Upon such invitation being given the Council shall immediately institute an inquiry into the circumstances of the dispute and recommend such action as may seem best and most effectual in the circumstances.

If a State so invited shall refuse to accept the obligations of membership in the League for the purposes of such dispute, and shall resort to war against a Member of the League, the provisions of Article 16 shall be applicable as against the State taking such action.

If both parties to the dispute when so invited refuse to accept the obligations of membership in the League for the purposes of such dispute, the Council may take such measures and make such recommendations as will prevent hostilities and will result in the settlement of the dispute.

ARTICLE 18.

Every treaty or international engagement entered into hereafter by any Member of the League shall be forthwith registered with the Secretariat and shall as soon as possible be published by it. No such treaty or international engagement shall be binding until so registered.

ARTICLE 19.

The Assembly may from time to time advise the reconsideration by Members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world.

ARTICLE 20.

The Members of the League severally agree that this Covenant is accepted as abrogating all obligations or understandings *inter se* which are inconsistent with the terms thereof, and solemnly undertake that they will not hereafter enter into any engagements inconsistent with the terms thereof.

In case any Member of the League shall, before becoming a Member of the League, have undertaken any obligations inconsistent with the terms of this Covenant, it shall be the duty of such Member to take immediate steps to procure its release from such obligations.

ARTICLE 21.

Nothing in this Covenant shall be deemed to affect the validity of international engagements, such as treaties of arbitration or regional understandings like the Monroe doctrine, for securing the maintenance of peace.

ARTICLE 22.

To those colonies and territories which as a consequence of the late war have ceased to be under the sovereignty of the States which formerly governed them and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and development of such peoples form a sacred trust of civilisation and that securities for the performance of this trust should be embodied in this Covenant.

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The best method of giving practical effect to this principle is that the tutelage of such peoples should be entrusted to advanced nations who by reason of their resources, their experience or their geographical position can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League.

The character of the mandate must differ according to the stage of the development of the people, the geographical situation of the territory, its economic conditions and other similar circumstances.

Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognised subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the Mandatory.

Other peoples, especially those of Central Africa, are at such a stage that the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience and religion, subject only to the maintenance of public order and morals, the prohibition of abuses such as the slave trade, the arms traffic and the liquor traffic, and the prevention of the establishment of fortifications or military and naval bases and of military training of the natives for other than police purposes and the defence of territory, and will also secure equal opportunities for the trade and commerce of other Members of the League.

There are territories, such as South-West Africa and certain of the South Pacific Islands, which, owing to the sparseness of their population, or their small size, or their remoteness from the centres of civilisation, or their geographical contiguity to the territory of the Mandatory, and other circumstances, can be best administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards above mentioned in the interests of the indigenous population.

In every case of mandate, the Mandatory shall render to the Council an annual report in reference to the territory committed to its charge.

The degree of authority, control, or administration to be exercised by the Mandatory shall, if not previously agreed upon by the Members of the League, be explicitly defined in each case by the Council.

A permanent Commission shall be constituted to receive and examine the annual reports of the Mandatories and to advise the Council on all matters relating to the observance of the mandates.

ARTICLE 23.

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League:

- (a) will endeavour to secure and maintain fair and humane conditions of labour for men, women, and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations;
- (b) undertake to secure just treatment of the native inhabitants of territories under their control;
- (c) will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs;
- (d) will entrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest;

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- (e) will make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League. In this connection, the special necessities of the regions devastated during the war of 1914-1918 shall be borne in mind;
- (f) will endeavour to take steps in matters of international concern for the prevention and control of disease.

ARTICLE 24.

There shall be placed under the direction of the League all international bureaux already established by general treaties if the parties to such treaties consent. All such international bureaux and all commissions for the regulation of matters of international interest hereafter constituted shall be placed under the direction of the League.

In all matters of international interest which are regulated by general conventions but which are not placed under the control of international bureaux or commissions, the Secretariat of the League shall, subject to the consent of the Council and if desired by the parties, collect and distribute all relevant information and shall render any other assistance which may be necessary or desirable.

The Council may include as part of the expenses of the Secretariat the expenses of any bureau or commission which is placed under the direction of the League.

ARTICLE 25.

The Members of the League agree to encourage and promote the establishment and co-operation of duly authorized voluntary national Red Cross organizations having as purposes the improvement of health, the prevention of disease and the mitigation of suffering throughout the world.

ARTICLE 26.

Amendments to this Covenant will take effect when ratified by the Members of the League whose Representatives compose the Council and by a majority of the Members of the League whose Representatives compose the Assembly.

No such amendment shall bind any Member of the League which signifies its dissent therefrom, but in that case it shall cease to be a Member of the League.

ANNEX.

I. Original Members of the League of Nations—Signatories of the Treaty of Peace.

UNITED STATES OF AMERICA.
 BELGIUM.
 BOLIVIA.
 BRAZIL.
 BRITISH EMPIRE.
 CANADA.
 AUSTRALIA.
 SOUTH AFRICA.
 NEW ZEALAND.
 INDIA.
 CHINA.
 CUBA.
 ECUADOR.
 FRANCE.
 GREECE.
 GUATEMALA.

HAITI.
 HEDJAZ.
 HONDURAS.
 ITALY.
 JAPAN.
 LIBERIA.
 NICARAGUA.
 PANAMA.
 PERU.
 POLAND.
 PORTUGAL.
 ROUMANIA.
 SERB-CROAT-SLOVENE STATE.
 SIAM.
 CZECHO-SLOVAKIA.
 URUGUAY.

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States Invited to Accede to the Covenant.

ARGENTINE REPUBLIC
CHILI.
COLOMBIA.
DENMARK.
NETHERLANDS.
NORWAY.
PARAGUAY.

PERSIA.
SALVADOR.
SPAIN.
SWEDEN.
SWITZERLAND.
VENEZUELA.

II. First Secretary General of the League of Nations.

The Honourable Sir James Eric DRUMMOND, K.C.M.G., C.B

50.1.29

PART II.

BOUNDARIES OF GERMANY.

ARTICLE 27.

The boundaries of Germany will be determined as follows:

1. *With Belgium:*

From the point common to the three frontiers of Belgium, Holland and Germany and in a southerly direction:

the north-eastern boundary of the former territory of *neutral Moresnet*, then the eastern boundary of the *Kreis* of Eupen, then the frontier between Belgium and the *Kreis* of Montjoie, then the north-eastern and eastern boundary of the *Kreis* of Malmédy to its junction with the frontier of Luxemburg.

2. *With Luxemburg:*

The frontier of August 3, 1914, to its junction with the frontier of France of the 18th July, 1870.

3. *With France:*

The frontier of July 18, 1870, from Luxemburg to Switzerland with the reservations made in Article 48 of Section IV (Saar Basin) of Part III.

4. *With Switzerland:*

The present frontier.

5. *With Austria:*

The frontier of August 3, 1914, from Switzerland to Czecho-Slovakia as hereinafter defined.

6. *With Czecho-Slovakia:*

The frontier of August 3, 1914, between Germany and Austria from its junction with the old administrative boundary separating Bohemia and the province of Upper Austria to the point north of the salient of the old province of Austrian Silesia situated at about 8 kilometres east of Neustadt.

7. *With Poland:*

From the point defined above to a point to be fixed on the ground about 2 kilometres east of Lorzendorf:

the frontier as it will be fixed in accordance with Article 88 of the present Treaty;

thence in a northerly direction to the point where the administrative boundary of Posnania crosses the river Bartsch:

a line to be fixed on the ground leaving the following places in Poland: Skorischau, Reichthal, Trembatschau, Kunzendorf, Schleise, Gross Kosel, Schreihersdorf, Rippin, Fürstlich-Niefken, Pawelau, Tscheschen, Konradau, Johannisdorf, Modzenow, Bogdaj, and in Germany: Lorzendorf, Kaulwitz, Glausche, Dalbersdorf, Reesewitz, Stradam, Gross Wartenberg, Kraschen, Neu Mittelwalde, Domaslawitz, Wedelsdorf, Tscheschen, Hammer;

thence the administrative boundary of Posnania north-westwards to the point where it cuts the Rawitsch-Herrnstadt railway;

thence to the point where the administrative boundary of Posnania cuts the Reisen-Tschirnau road:

a line to be fixed on the ground passing west of Triebusch and Gabel and east of Saborwitz;

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thence the administrative boundary of Posnania to its junction with the eastern administrative boundary of the *Kreis* of Fraustadt;

thence in a north-westerly direction to a point to be chosen on the road between the villages of Unruhstad and Kopnitz:

a line to be fixed on the ground passing west of Geyersdorf, Brenno, Fehlen, Altkloster, Klebel, and east of Ulbersdorf, Buchwald, Ilgen, Weine, Lupitze, Schwen-ten;

thence in a northerly direction to the northernmost point of Lake Chlop;

a line to be fixed on the ground following the median line of the lakes; the town and the station of Bentschen however (including the junction of the lines Schwiebus-Bentschen and Züllichau-Bentschen) remaining in Polish territory;

thence in a north-easterly direction to the point of junction of the boundaries of the *Kreise* of Schwerin, Binbaum and Meseritz:

a line to be fixed on the ground passing east of Betsche;

thence in a northerly direction the boundary separating the *Kreise* of Schwerin and Birnbaum, then in an easterly direction the northern boundary of Posnania to the point where it cuts the river Netze;

thence upstream to its confluence with the Küddow;

the course of the Netze;

thence upstream to a point to be chosen about 6 kilometres south-east of Schneidemühl:

the course of the Küddow;

thence north-eastwards to the most southern point of the re-entrant of the northern boundary of Posnania about 5 kilometres west of Stahren:

a line to be fixed on the ground leaving the Schneidemühl-Konitz railway in this area entirely in German territory;

thence the boundary of Posnania north-eastwards to the point of the salient it makes about 15 kilometres east of Flatow;

thence north-eastwards to the point where the river Kamionka meets the southern boundary of the *Kreis* of Konitz about 3 kilometres north-east of Grunau:

a line to be fixed on the ground leaving the following places to Poland: Jasdrawo, Gr. Lutau, Kl. Lutau, Wittkau, and to Germany: Gr. Butzig, Cziskowo, Battrow, Böck, Grunau;

thence in a northerly direction the boundary between the *Kreise* of Konitz and Schlochau to the point where this boundary cuts the river Brahe;

thence to a point on the boundary of Pomerania 15 kilometres east of Rummelsburg:

a line to be fixed on the ground leaving the following places in Poland: Konarzin; Kelpin, Adl. Briesen, and in Germany: Sampohl, Neuguth, Steinfort, Gr. Peterkau;

then the boundary of Pomerania in an easterly direction to its junction with the boundary between the *Kreise* of Konitz and Schlochau;

thence northwards the boundary between Pomerania and West Prussia to the point on the river Rheda about 3 kilometres north-west of Gohra where that river is joined by a tributary from the north-west;

thence to a point to be selected in the bend of the Piasnitz river about 1½ kilometres north-west of Warschkau:

a line to be fixed on the ground;

thence this river downstream, then the median line of Lake Zarnowitz, then the old boundary of West Prussia to the Baltic Sea.

8. With Denmark:

The frontier as it will be fixed in accordance with Articles 109 to 111 of Part III, Section XII (Schleswig).

ARTICLE 28.

The boundaries of East Prussia, with the reservations made in Section IX (East Prussia) of Part III, will be determined as follows:

from a point on the coast of the Baltic Sea about $1\frac{1}{2}$ kilometres north of Pröbbernau church in a direction of about 159° East from true North:

a line to be fixed on the ground for about 2 kilometres;

thence in a straight line to the light at the head of the Elbing Channel in approximately latitude $54^{\circ} 19' \frac{1}{2}$ North, longitude $19^{\circ} 26'$ East of Greenwich;

thence to the easternmost mouth of the Nogat River at a bearing of approximately 209° East from true North;

thence up the course of the Nogat River to the point where the latter leaves the Vistula (Weichsel);

thence up the principal channel of navigation of the Vistula, then the southern boundary of the *Kreis* of Marienwerder, then that of the *Kreis* of Rosenberg eastwards to the point where it meets the old boundary of East Prussia;

thence the old boundary between East and West Prussia, then the boundary between the *Kreise* of Osterode and Neidenburg, then the course of the river Skottau downstream, then the course of the Neide upstream to a point situated about 5 kilometres west of Bialutten being the nearest point to the old frontier of Russia;

thence in an easterly direction to a point immediately south of the intersection of the road Neidenburg-Mlava with the old frontier of Russia:

a line to be fixed on the ground passing north of Bialutten;

thence the old frontier of Russia to a point east of Schmalleningken, then the principal channel of navigation of the Niemen (Memel) downstream, then the Skierwieth arm of the delta to the Kurisches Haff;

thence a straight line to the point where the eastern shore of the Kurische Nehrung meets the administrative boundary about 4 kilometres south-west of Nidden;

thence this administrative boundary to the western shore of the Kurische Nehrung.

ARTICLE 29.

The boundaries as described above are drawn in red on a one-in-a-million map which is annexed to the present Treaty (Map No. 1).

In the case of any discrepancies between the text of the Treaty and this map or any other map which may be annexed, the text will be final.

ARTICLE 30.

In the case of boundaries which are defined by a waterway, the terms "course" and "channel" used in the present Treaty signify: in the case of non-navigable rivers, the median line of the waterway or of its principal arm, and, in the case of navigable rivers, the median line of the principal channel of navigation. It will rest with the Boundary Commissions provided by the present Treaty to specify in each case whether the frontier line shall follow any changes of the course or channel which may take place or whether it shall be definitely fixed by the position of the course or channel at the time when the present Treaty comes into force.

PART III.

POLITICAL CLAUSES FOR EUROPE.

SECTION I.

Belgium.

ARTICLE 31.

Germany, recognizing that the Treaties of April 19, 1839, which established the status of Belgium before the war, no longer conform to the requirements of the situation, consents to the abrogation of the said Treaties and undertakes immediately to recognize and to observe whatever conventions may be entered into by the Principal Allied and Associated Powers, or by any of them, in concert with the Governments of Belgium and of the Netherlands, to replace the said Treaties of 1839. If her formal adhesion should be required to such conventions or to any of their stipulations, Germany undertakes immediately to give it.

ARTICLE 32.

Germany recognizes the full sovereignty of Belgium over the whole of the contested territory of Moresnet (called *Moresnet neutre*).

ARTICLE 33.

Germany renounces in favour of Belgium all rights and title over the territory of Prussian Moresnet situated on the west of the road from Liège to Aix-la-Chapelle; the road will belong to Belgium where it bounds this territory.

ARTICLE 34.

Germany renounces in favour of Belgium all rights and title over the territory comprising the whole of the *Kreise* of Eupen and of Malmédy.

During the six months after the coming into force of this Treaty, registers will be opened by the Belgian authorities at Eupen and Malmédy in which the inhabitants of the above territory will be entitled to record in writing a desire to see the whole or part of it remain under German sovereignty.

The results of this public expression of opinion will be communicated by the Belgian Government to the League of Nations, and Belgium undertakes to accept the decision of the League.

ARTICLE 35.

A Commission of seven persons, five of whom will be appointed by the Principal Allied and Associated Powers, one by Germany and one by Belgium, will be set up fifteen days after the coming into force of the present Treaty to settle on the spot the new frontier line between Belgium and Germany, taking into account the economic factors and the means of communication.

Decisions will be taken by a majority and will be binding on the parties concerned.

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ARTICLE 36.

When the transfer of the sovereignty over the territories referred to above has become definite, German nationals habitually resident in the territories will definitively acquire Belgian nationality *ipso facto*, and will lose their German nationality.

Nevertheless, German nationals who became resident in the territories after August 1, 1914, shall not obtain Belgian nationality without a permit from the Belgian Government.

ARTICLE 37.

Within the two years following the definitive transfer of the sovereignty over the territories assigned to Belgium under the present Treaty, German nationals over 18 years of age habitually resident in those territories will be entitled to opt for German nationality.

Option by a husband will cover his wife, and option by parents will cover their children under 18 years of age.

Persons who have exercised the above right to opt must within the ensuing twelve months transfer their place of residence to Germany.

They will be entitled to retain their immovable property in the territories acquired by Belgium. They may carry with them their movable property of every description. No export or import duties may be imposed upon them in connection with the removal of such property.

ARTICLE 38.

The German Government will hand over without delay to the Belgian Government the archives, registers, plans, title deeds and documents of every kind concerning the civil, military, financial, judicial or other administrations in the territory transferred to Belgian sovereignty.

The German Government will likewise restore to the Belgian Government the archives and documents of every kind carried off during the war by the German authorities from the Belgian public administrations, in particular from the Ministry of Foreign Affairs at Brussels.

ARTICLE 39.

The proportion and nature of the financial liabilities of Germany and of Prussia which Belgium will have to bear on account of the territories ceded to her shall be fixed in conformity with Articles 254 and 256 of Part IX (Financial Clauses) of the present Treaty.

SECTION II.

Luxemburg.

ARTICLE 40.

With regard to the Grand Duchy of Luxemburg, Germany renounces the benefit of all the provisions inserted in her favour in the Treaties of February 8, 1842, April 2, 1847, October 20-25, 1886, August 18, 1896, February 21 and May 11, 1867, May 10, 1871, June 11, 1872, and November 11, 1902, and in all Conventions consequent upon such Treaties.

Germany recognizes that the Grand Duchy of Luxemburg ceased to form part of the German Zollverein as from January 1, 1919, renounces all rights to the exploitation of the railways, adheres to the termination of the régime of neutrality of the Grand Duchy, and accepts in advance all international arrangements which may be concluded by the Allied and Associated Powers relating to the Grand Duchy.

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ARTICLE 41.

Germany undertakes to grant to the Grand Duchy of Luxemburg, when a demand to that effect is made to her by the Principal Allied and Associated Powers, the rights and advantages stipulated in favour of such Powers or their nationals in the present Treaty with regard to economic questions, to questions relative to transport and to aerial navigation.

SECTION III.

Left Bank of the Rhine.

ARTICLE 42.

Germany is forbidden to maintain or construct any fortifications either on the left bank of the Rhine or on the right bank to the west of a line drawn 50 kilometres to the East of the Rhine.

ARTICLE 43.

In the area defined above the maintenance and the assembly of armed forces, either permanently or temporarily, and military manœuvres of any kind, as well as the upkeep of all permanent works for mobilization, are in the same way forbidden.

ARTICLE 44.

In case Germany violates in any manner whatever the provisions of Articles 42 and 43, she shall be regarded as committing a hostile act against the Powers signatory of the present Treaty and as calculated to disturb the peace of the world.

SECTION IV.

Saar Basin.

ARTICLE 45.

As compensation for the destruction of the coal mines in the north of France and as part payment towards the total reparation due from Germany for the damage resulting from the war, Germany cedes to France in full and absolute possession, with exclusive rights of exploitation, unencumbered and free from all debts and charges of any kind, the coal-mines situated in the Saar Basin as defined in Article 48.

ARTICLE 46.

In order to assure the rights and welfare of the population and to guarantee to France complete freedom in working the mines, Germany agrees to the provisions of Chapters I and II of the Annex hereto.

ARTICLE 47.

In order to make in due time permanent provision for the government of the Saar Basin in accordance with the wishes of the population, France and Germany agree to the provisions of Chapter III of the Annex hereto.

ARTICLE 48.

The boundaries of the territory of the Saar Basin, as dealt with in the present stipulations, will be fixed as follows:

On the south and south-west : by the frontier of France as fixed by the present Treaty.

On the north-west and north : by a line following the northern administrative boundary of the *Kreis* of Merzig from the point where it leaves the French frontier to the point where it meets the administrative boundary separating the commune of Saarhölzbach from the commune of Britten; following this communal boundary southwards and reaching the administrative boundary of the canton of Merzig so as to include in the territory of the Saar Basin the canton of Mettlach, with the exception of the commune of Britten; following successively the northern administrative boundaries of the cantons of Merzig and Haustadt, which are incorporated in the aforesaid Saar Basin, then successively the administrative boundaries separating the *Kreise* of Saarlouis, Ottweiler and Saint-Wendel from the *Kreise* of Merzig, Trèves (Trier) and the principality of Birkenfeld as far as a point situated about 500 metres north of the village of Furschweiler (viz., the highest point of the Metzelberg).

On the north-east and east from the last point defined above to a point about 3½ kilometres east-north-east of Saint-Wendel :

a line to be fixed on the ground passing east of Furschweiler, west of Roschberg, east of points 418, 329 (south of Roschberg), west of Leitersweiler, northeast of point 464, and following the line of the crest southwards to its junction with the administrative boundary of the *Kreis* of Kusel;

thence in a southerly direction the boundary of the *Kreis* of Kusel, then the boundary of the *Kreis* of Homburg towards the south-south-east to a point situated about 1,000 metres west of Dunzweiler;

thence to a point about 1 kilometre south of Hornbach :

a line to be fixed on the ground passing through point 424 (about 1000 metres south-east of Dunzweiler), point 363 (Fuchs-Berg), point 322 (south-west of Waldmohr), then east of Jägersburg and Erbach, then encircling Homburg, passing through the points 361 (about 2½ kilometres, north-east by east of that town), 342 (about 2 kilometres south-east of that town), 347 (Schreiners-Berg), 356, 350 (about 1½ kilometres south-east of Schwarzenbach), then passing east of Einöd, south-east of points 322 and 333, about 2 kilometres east of Webenheim, about 2 kilometres east of Mimbach, passing east of the plateau which is traversed by the road from Mimbach to Bückweiler (so as to include this road in the territory of the Saar Basin), passing immediately north of the junction of the roads from Bückweiler and Altheim situated about 2 kilometres north of Altheim, then passing south of Ringweilerhof and north of point 322, rejoining the frontier of France at the angle which it makes about 1 kilometre south of Hornbach (see Map No. 2 scale 1/100,000 annexed to the present Treaty).

A Commission composed of five members, one appointed by France, one by Germany, and three by the Council of the League of Nations, which will select nationals of other Powers, will be constituted within fifteen days from the coming into force of the present Treaty, to trace on the spot the frontier line described above.

In those parts of the preceding line which do not coincide with administrative boundaries, the Commission will endeavour to keep to the line indicated, while taking into consideration, so far as is possible, local economic interests and existing communal boundaries.

The decisions of this Commission will be taken by a majority, and will be binding on the parties concerned.

ARTICLE 49.

Germany renounces in favour of the League of Nations, in the capacity of trustee, the government of the territory defined above.

At the end of fifteen years from the coming into force of the present Treaty the inhabitants of the said territory shall be called upon to indicate the sovereignty under which they desire to be placed.

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ARTICLE 50.

The stipulations under which the cession of the mines in the Saar Basin shall be carried out, together with the measures intended to guarantee the rights and the well-being of the inhabitants and the government of the territory, as well as the conditions in accordance with which the plebiscite hereinbefore provided for is to be made, are laid down in the Annex hereto. This Annex shall be considered as an integral part of the present Treaty, and Germany declares her adherence to it.

ANNEX.

In accordance with the provisions of Articles 45 to 50 of the present Treaty, the stipulations under which the cession by Germany to France of the mines of the Saar Basin will be effected, as well as the measures intended to ensure respect for the rights and well-being of the population and the government of the territory, and the conditions in which the inhabitants will be called upon to indicate the sovereignty under which they may wish to be placed have been laid down as follows:

CHAPTER I.

CESSION AND EXPLOITATION OF MINING PROPERTIES.

1.

From the date of the coming into force of the present Treaty, all the deposits of coal situated within the Saar Basin as defined in Article 48 of the said Treaty, become the complete and absolute property of the French State.

The French State will have the right of working or not working the said mines, or of transferring to a third party the right of working them, without having to obtain any previous authorisation or to fulfil any formalities.

The French State may always require that the German mining laws and regulations referred to below shall be applied in order to ensure the determination of its rights.

2.

The right of ownership of the French State will apply not only to the deposits which are free and for which concessions have not yet been granted, but also to the deposits for which concessions have already been granted, whoever may be the present proprietors, irrespective of whether they belong to the Prussian State, to the Bavarian State, to other States or bodies, to companies or to individuals, whether they have been worked or not, or whether a right of exploitation distinct from the right of the owners of the surface of the soil has or has not been recognized.

3.

As far as concerns the mines which are being worked, the transfer of the ownership to the French State will apply to all the accessories and subsidiaries of the said mines, in particular to their plant and equipment both on and below the surface, to their extracting machinery, their plants for transforming coal into electric power, coke and by-products, their workshops, means of communication, electric lines, plant for catching and distributing water, land, buildings such as offices, managers', employees' and workmen's dwellings, schools, hospitals and dispensaries, their stocks and supplies of every description, their archives and plans, and in general everything

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which those who own or exploit the mines possess or enjoy for the purpose of exploiting the mines and their accessories and subsidiaries.

The transfer will apply also to the debts owing for products delivered before the entry into possession by the French State, and after the signature of the present Treaty, and to deposits of money made by customers, whose rights will be guaranteed by the French State.

4.

The French State will acquire the property free and clear of all debts and charges. Nevertheless, the rights acquired, or in course of being acquired, by the employees of the mines and their accessories and subsidiaries at the date of the coming into force of the present Treaty, in connection with pensions for old age or disability, will not be affected. In return, Germany must pay over to the French State a sum representing the actuarial amounts to which the said employees are entitled.

5.

The value of the property thus ceded to the French State will be determined by the Reparation Commission referred to in Article 233 of Part VIII (Reparation) of the present Treaty.

This value shall be credited to Germany in part payment of the amount due for reparation.

It will be for Germany to indemnify the proprietors or parties concerned, whoever they may be.

6.

No tariff shall be established on the German railways and canals which may directly or indirectly discriminate to the prejudice of the transport of the personnel or products of the mines and their accessories or subsidiaries, or of the material necessary to their exploitation. Such transport shall enjoy all the rights and privileges which any international railway conventions may guarantee to similar products of French origin.

7.

The equipment and personnel necessary to ensure the despatch and transport of the products of the mines and their accessories and subsidiaries, as well as the carriage of workmen and employees, will be provided by the local railway administration of the Basin.

8.

No obstacle shall be placed in the way of such improvements of railways or waterways as the French State may judge necessary to assure the despatch and the transport of the products of the mines and their accessories and subsidiaries, such as double trackage, enlargement of stations, and construction of yards and appurtenances. The distribution of expenses will, in the event of disagreement, be submitted to arbitration.

The French State may also establish any new means of communication, such as roads, electric lines and telephone connections which it may consider necessary for the exploitation of the mines.

It may exploit freely and without any restrictions the means of communication of which it may become the owner, particularly those connecting the mines and their accessories and subsidiaries with the means of communication situated in French territory.

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9.

The French State shall always be entitled to demand the application of the German mining laws and regulations in force on November 11, 1918, excepting provisions adopted exclusively in view of the state of war, with a view to the acquisition of such land as it may judge necessary for the exploitation of the mines and their accessories and subsidiaries.

The payment for damage caused to immovable property by the working of the said mines and their accessories and subsidiaries shall be made in accordance with the German mining laws and regulations above referred to.

10.

Every person whom the French State may substitute for itself as regards the whole or part of its rights to the exploitation of the mines and their accessories and subsidiaries shall enjoy the benefit of the privileges provided in this Annex.

11.

The mines and other immovable property which become the property of the French State may never be made the subject of measures of forfeiture, forced sale, expropriation or requisition, nor of any other measure affecting the right of property.

The personnel and the plant connected with the exploitation of these mines or their accessories and subsidiaries, as well as the product extracted from the mines or manufactured in their accessories and subsidiaries, may not at any time be made the subject of any measures of requisition.

12.

The exploitation of the mines and their accessories and subsidiaries, which become the property of the French State, will continue, subject to the provisions of paragraph 23 below, to be subject to the régime established by the German laws and regulations in force on November 11, 1918, excepting provisions adopted exclusively in view of the state of war.

The rights of the workmen shall similarly be maintained, subject to the provisions of the said paragraph 23, as established on November 11, 1918, by the German laws and regulations above referred to.

No impediment shall be placed in the way of the introduction or employment in the mines and their accessories and subsidiaries of workmen from without the Basin.

The employees and workmen of French nationality shall have the right to belong to French labour unions.

13.

The amount contributed by the mines and their accessories and subsidiaries, either to the local budget of the territory of the Saar Basin or to the communal funds, shall be fixed with due regard to the ratio of the value of the mines to the total taxable wealth of the Basin.

14.

The French State shall always have the right of establishing and maintaining, as incidental to the mines, primary or technical schools for its employees and their children, and of causing instruction therein to be given in the French language, in accordance with such curriculum and by such teachers as it may select.

It shall also have the right to establish and maintain hospitals, dispensaries, workmen's houses and gardens and other charitable and social institutions.

15.

The French State shall enjoy complete liberty with respect to the distribution, despatch and sale prices of the products of the mines and their accessories and subsidiaries.

Nevertheless, whatever may be the total product of the mines, the French Government undertakes that the requirements of local consumption for industrial and domestic purposes shall also be satisfied in the proportion existing in 1913 between the amount consumed locally and the total output of the Saar Basin.

CHAPTER II.

GOVERNMENT OF THE TERRITORY OF THE SAAR BASIN.

16.

The Government of the territory of the Saar Basin shall be entrusted to a Commission representing the League of Nations. This Commission shall sit in the territory of the Saar Basin.

17.

The Governing Commission provided for by paragraph 16 shall consist of five members chosen by the Council of the League of Nations, and will include one citizen of France, one native inhabitant of the Saar Basin, not a citizen of France, and three members belonging to three countries other than France or Germany.

The members of the Governing Commission shall be appointed for one year and may be re-appointed. They can be removed by the Council of the League of Nations, which will provide for their replacement.

The members of the Governing Commission will be entitled to a salary which will be fixed by the Council of the League of Nations, and charged on the local revenues.

18.

The Chairman of the Governing Commission shall be appointed for one year from among the members of the Commission by the Council of the League of Nations and may be re-appointed.

The Chairman will act as the executive of the Commission.

19.

Within the territory of the Saar Basin the Governing Commission shall have all the powers of government hitherto belonging to the German Empire, Prussia, or Bavaria, including the appointment and dismissal of officials, and the creation of such administrative and representative bodies as it may deem necessary.

It shall have full powers to administer and operate the railways, canals and the different public services.

Its decisions shall be taken by a majority.

20.

Germany will place at the disposal of the Governing Commission all official documents and archives under the control of Germany, of any German State, or of any local authority, which relate to the territory of the Saar Basin or to the rights of the inhabitants thereof.

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21.

It will be the duty of the Governing Commission to ensure, by such means and under such conditions as it may deem suitable, the protection abroad of the interests of the inhabitants of the territory of the Saar Basin.

22.

The Governing Commission shall have the full right of user of all property, other than mines, belonging, either in public or in private domain, to the Government of the German Empire, or the Government of any German State, in the territory of the Saar Basin.

As regards the railways an equitable apportionment of rolling stock shall be made by a mixed Commission on which the Government of the territory of the Saar Basin and the German railways will be represented.

Persons, goods, vessels, carriages, wagons and mails coming from or going to the Saar Basin shall enjoy all the rights and privileges relating to transit and transport which are specified in the provisions of Part XII (Ports, Waterways and Railways) of the present Treaty.

23.

The laws and regulations in force on November 11, 1918, in the territory of the Saar Basin (except those enacted in consequence of the state of war) shall continue to apply.

If, for general reasons or to bring these laws and regulations into accord with the provisions of the present Treaty, it is necessary to introduce modifications, these shall be decided on, and put into effect by the Governing Commission, after consultation with the elected representatives of the inhabitants in such a manner as the Commission may determine.

No modification may be made in the legal régime for the exploitation of the mines, provided for in paragraph 12, without the French State being previously consulted, unless such modification results from a general regulation respecting labour adopted by the League of Nations.

In fixing the conditions and hours of labour for men, women and children, the Governing Commission is to take into consideration the wishes expressed by the local labour organizations, as well as the principles adopted by the League of Nations.

24.

Subject to the provisions of paragraph 4, no rights of the inhabitants of the Saar Basin acquired or in process of acquisition at the date of the coming into force of this Treaty, in respect of any insurance system of Germany or in respect of any pension of any kind, are affected by any of the provisions of the present Treaty.

Germany and the Government of the territory of the Saar Basin will preserve and continue all of the aforesaid rights.

25.

The civil and criminal courts existing in the territory of the Saar Basin shall continue.

A civil and criminal court will be established by the Governing Commission to hear appeals from the decisions of the said courts and to decide matters for which these courts are not competent.

The Governing Commission will be responsible for settling the organization and jurisdiction of the said court.

Justice will be rendered in the name of the Governing Commission.

26.

The Governing Commission will alone have the power of levying taxes and dues in the territory of the Saar Basin.

These taxes and dues will be exclusively applied to the needs of the territory.

The fiscal system existing on November 11, 1918, will be maintained as far as possible, and no new tax except customs duties may be imposed without previously consulting the elected representatives of the inhabitants.

27.

The present stipulations will not affect the existing nationality of the inhabitants of the territory of the Saar Basin.

No hindrance shall be placed in the way of those who wish to acquire a different nationality, but in such case the acquisition of the new nationality will involve the loss of any other.

28.

Under the control of the Governing Commission the inhabitants will retain their local assemblies, their religious liberties, their schools and their language.

The right of voting will not be exercised for any assemblies other than the local assemblies, and will belong to every inhabitant over the age of twenty years, without distinction of sex.

29.

Any of the inhabitants of the Saar Basin who may desire to leave the territory will have full liberty to retain in it their immovable property or to sell it at fair prices, and to remove their movable property free of any charges.

30.

There will be no military service, whether compulsory or voluntary, in the territory of the Saar Basin, and the construction of fortifications therein is forbidden.

Only a local gendarmerie for the maintenance of order may be established.

It will be the duty of the Governing Commission to provide in all cases for the protection of persons and property in the Saar Basin.

31.

The territory of the Saar Basin as defined by Article 48 of the present Treaty shall be subjected to the French customs régime. The receipts from the customs duties on goods intended for local consumption shall be included in the budget of the said territory after deduction of all costs of collection.

No export tax shall be imposed upon metallurgical products or coal exported from the said territory to Germany, nor upon German exports for the use of the industries of the territory of the Saar Basin.

Natural or manufactured products originating in the Basin in transit over German territory and, similarly, German products in transit over the territory of the Basin shall be free of all customs duties.

Products which both originate in and pass from the Basin into Germany shall be free of import duties for a period of five years from the date of the coming into force of the present Treaty and during the same period articles imported from Germany into the territory of the Basin for local consumption shall likewise be free of import duties.

During these five years the French Government reserves to itself the right of limiting to the annual average of the quantities imported into Alsace-Lorraine and

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France in the years 1911 to 1913 the quantities which may be sent into France of all articles coming from the Basin which include raw materials and semi-manufactured goods imported duty free from Germany. Such average shall be determined after reference to all available official information and statistics.

32.

No prohibition or restriction shall be imposed upon the circulation of French money in the territory of the Saar Basin.

The French State shall have the right to use French money in all purchases, payments and contracts connected with the exploitation of the mines or their accessories and subsidiaries.

33.

The Governing Commission shall have power to decide all questions arising from the interpretation of the preceding provisions.

France and Germany agree that any dispute involving a difference of opinion as to the interpretation of the said provisions shall in the same way be submitted to the Governing Commission, and the decision of a majority of the Commission shall be binding on both countries.

CHAPTER III.

PLEBISCITE.

34

At the termination of a period of fifteen years from the coming into force of the present Treaty, the population of the territory of the Saar Basin will be called upon to indicate their desires in the following manner:

A vote will take place by communes or districts on the three following alternatives: (a) maintenance of the régime established by the present Treaty and by this Annex; (b) union with France; (c) union with Germany.

All persons without distinction of sex, more than twenty years old at the date of the voting, resident in the territory at the date of the signature of the present Treaty, will have the right to vote.

The other conditions, methods and the date of the voting shall be fixed by the Council of the League of Nations in such a way as to secure the freedom, secrecy and trustworthiness of the voting.

35.

The League of Nations shall decide on the sovereignty under which the territory is to be placed, taking into account the wishes of the inhabitants as expressed by the voting:

(a) If, for the whole or part of the territory, the League of Nations decides in favour of the maintenance of the régime established by the present Treaty and this Annex, Germany hereby agrees to make such renunciation of her sovereignty in favour of the League of Nations as the latter shall deem necessary. It will be the duty of the League of Nations to take appropriate steps to adapt the régime definitely adopted to the permanent welfare of the territory and the general interest;

(b) If, for the whole or part of the territory, the League of Nations decides in favour of union with France, Germany hereby agrees to cede to France in accordance with the decision of the League of Nations all rights and title over the territory specified by the League;

(c) If, for the whole or part of the territory, the League of Nations decides in favour of union with Germany, it will be the duty of the League of Nations to cause the German Government to be re-established in the government of the territory specified by the League.

36.

If the League of Nations decides in favour of the union of the whole or part of the territory of the Saar Basin with Germany, France's rights of ownership in the mines situated in such part of the territory will be repurchased by Germany in their entirety at a price payable in gold. The price to be paid will be fixed by three experts, one nominated by Germany, one by France, and one, who shall be neither a Frenchman nor a German, by the Council of the League of Nations; the decision of the experts will be given by a majority.

The obligation of Germany to make such payment shall be taken into account by the Reparation Commission, and for the purpose of this payment Germany may create prior charge upon her assets or revenues upon such detailed terms as shall be agreed to by the Reparation Commission.

If, nevertheless, Germany after a period of one year from the date on which the payment becomes due shall not have effected the said payment, the Reparation Commission shall do so in accordance with such instructions as may be given by the League of Nations, and, if necessary, by liquidating that part of the mines which is in question.

37

If, in consequence of the repurchase provided for in paragraph 36, the ownership of the mines or any part of them is transferred to Germany, the French State and French nationals shall have the right to purchase such amount of coal of the Saar Basin as their industrial and domestic needs are found at that time to require. An equitable arrangement regarding amounts of coal, duration of contract, and prices will be fixed in due time by the Council of the League of Nations.

38.

It is understood that France and Germany may, by special agreements concluded before the time fixed for the payment of the price for the repurchase of the mines, modify the provisions of paragraphs 36 and 37.

39.

The Council of the League of Nations shall make such provisions as may be necessary for the establishment of the régime which is to take effect after the decisions of the League of Nations mentioned in paragraph 35 have become operative, including an equitable apportionment of any obligation of the Government of the territory of the Saar Basin arising from loans raised by the Commission or from other causes.

From the coming into force of the new régime, the powers of the Governing Commission will terminate, except in the case provided for in paragraph 35 (a).

40.

In all matters dealt with in the present Annex, the decisions of the Council of the League of Nations will be taken by a majority.

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SECTION V.

Alsace-Lorraine.

The HIGH CONTRACTING PARTIES, recognizing the moral obligation to redress the wrong done by Germany in 1871 both to the rights of France and to the wishes of the population of Alsace and Lorraine, which were separated from their country in spite of the solemn protest of their representatives at the Assembly of Bordeaux,

Agree upon the following Articles:

ARTICLE 51.

The territories which were ceded to Germany in accordance with the Preliminaries of Peace signed at Versailles on February 26, 1871, and the Treaty of Frankfurt of May 10, 1871, are restored to French sovereignty as from the date of the Armistice of November 11, 1918.

The provisions of the Treaties establishing the delimitation of the frontiers before 1871 shall be restored.

ARTICLE 52.

The German Government shall hand over without delay to the French Government all archives, registers, plans, titles and documents of every kind concerning the civil, military, financial, judicial or other administrations of the territories restored to French sovereignty. If any of these documents, archives, registers, titles or plans have been misplaced, they will be restored by the German Government on the demand of the French Government.

ARTICLE 53.

Separate agreements shall be made between France and Germany dealing with the interests of the inhabitants of the territories referred to in Article 51, particularly as regards their civil rights, their business and the exercise of their professions, it being understood that Germany undertakes as from the present date to recognise and accept the regulations laid down in the Annex hereto regarding the nationality of the inhabitants or natives of the said territories, not to claim at any time or in any place whatsoever as German nationals those who shall have been declared on any ground to be French, to receive all others in her territory, and to conform, as regards the property of German nationals in the territories indicated in Article 51, with the provisions of Article 297 and the Annex to Section IV of Part X (Economic Clauses) of the present Treaty.

Those German nationals who without acquiring French nationality shall receive permission from the French Government to reside in the said territories shall not be subjected to the provisions of the said Article.

ARTICLE 54.

Those persons who have regained French nationality in virtue of paragraph 1 of the Annex hereto will be held to be Alsace-Lorrainers for the purpose of the present Section.

The persons referred to in paragraph 2 of the said Annex will from the day on which they have claimed French nationality be held to be Alsace-Lorrainers with retroactive effect as from November 11, 1918. For those whose application is rejected, the privilege will terminate at the date of the refusal.

Such juridical persons will also have the status of Alsace-Lorrainers as shall have been recognized as possessing this quality, whether by the French administrative authorities or by a judicial decision.

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ARTICLE 55.

The territories referred to in Article 51 shall return to France free and quit of all public debts under the conditions laid down in Article 255 of Part IX (Financial Clauses) of the present Treaty.

ARTICLE 56.

In conformity with the provisions of Article 256 of Part IX (Financial Clauses) of the present Treaty, France shall enter into possession of all property and estate, within the territories referred to in Article 51, which belong to the German Empire or German States, without any payment or credit on this account to any of the States ceding the territories.

This provision applies to all movable or immovable property of public or private domain together with all rights whatsoever belonging to the German Empire or German States or to their administrative areas.

Crown property and the property of the former Emperor or other German sovereigns shall be assimilated to property of the public domain.

ARTICLE 57.

Germany shall not take any action, either by means of stamping or by any other legal or administrative measures not applying equally to the rest of her territory, which may be to the detriment of the legal value or redeemability of German monetary instruments or monies which, at the date of the signature of the present Treaty, are legally current, and at that date are in the possession of the French Government.

ARTICLE 58.

A special Convention will determine the conditions for repayment in marks of the exceptional war expenditure advanced during the course of the war by Alsace-Lorraine or by public bodies in Alsace-Lorraine on account of the Empire in accordance with German law, such as payment to the families of persons mobilised, requisitions, billeting of troops, and assistance to persons who have been evacuated.

In fixing the amount of these sums Germany shall be credited with that portion which Alsace-Lorraine would have contributed to the Empire to meet the expenses resulting from these payments, this contribution being calculated according to the proportion of the Imperial revenues derived from Alsace-Lorraine in 1913.

ARTICLE 59.

The French Government will collect for its own account the Imperial taxes, duties and dues of every kind leviable in the territories referred to in Article 51 and not collected at the time of the Armistice of November 11, 1918.

ARTICLE 60.

The German Government shall without delay restore to Alsace-Lorrainers (individuals, juridical persons and public institutions) all property, rights and interests belonging to them on November 11, 1918, in so far as these are situated in German territory.

ARTICLE 61.

The German Government undertakes to continue and complete without delay the execution of the financial clauses regarding Alsace-Lorraine contained in the Armistice Conventions.

ARTICLE 62.

The German Government undertakes to bear the expense of all civil and military pensions which had been earned in Alsace-Lorraine on date of November 11, 1918. and the maintenance of which was a charge on the budget of the German Empire.

The German Government shall furnish each year the funds necessary for the payment in francs, at the average rate of exchange for that year, of the sums in marks to which persons resident in Alsace-Lorraine would have been entitled if Alsace-Lorraine had remained under German jurisdiction.

ARTICLE 63.

For the purposes of the obligation assumed by Germany in Part VIII (Reparation) of the present Treaty to give compensation for damages caused to the civil populations of the Allied and Associated countries in the form of fines, the inhabitants of the territories referred to in Article 51 shall be assimilated to the above-mentioned populations.

ARTICLE 64.

The regulations concerning the control of the Rhine and of the Moselle are laid down in Part XII (Ports, Waterways and Railways) of the present Treaty.

ARTICLE 65.

Within a period of three weeks after the coming into force of the present Treaty, the port of Strasburg and the port of Kehl shall be constituted, for a period of seven years, a single unit from the point of view of exploitation.

The administration of this single unit will be carried on by a manager named by the Central Rhine Commission, which shall also have power to remove him.

This manager shall be of French nationality.

He will reside in Strasburg and will be subject to the supervision of the Central Rhine Commission.

There will be established in the two ports free zones in conformity with Part XII (Ports, Waterways and Railways) of the present Treaty.

A special Convention between France and Germany, which shall be submitted to the approval of the Central Rhine Commission, will fix the details of this organisation, particularly as regards finance.

It is understood that for the purpose of the present Article the port of Kehl includes the whole of the area necessary for the movements of the port and the trains which serve it, including the harbour, quays and railroads, platforms, cranes, sheds and warehouses, silos, elevators and hydro-electric plants, which make up the equipment of the port.

The German Government undertakes to carry out all measures which shall be required of it in order to assure that all the making-up and switching of trains arriving at or departing from Kehl, whether for the right bank or the left bank of the Rhine, shall be carried on in the best conditions possible.

All property rights shall be safeguarded. In particular the administration of the ports shall not prejudice any property rights of the French or Baden railroads.

Equality of treatment as respects traffic shall be assured in both ports to the nationals, vessels and goods of every country.

In case at the end of the sixth year France shall consider that the progress made in the improvement of the port of Strasburg still requires a prolongation of this temporary régime, she may ask for such prolongation from the Central Rhine Commission, which may grant an extension for a period not exceeding three years.

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Throughout the whole period of any such extension the free zones above provided for shall be maintained.

Pending appointment of the first manager by the Central Rhine Commission a provisional manager who shall be of French nationality may be appointed by the Principal Allied and Associated Powers subject to the foregoing provisions.

For all purposes of the present Article the Central Rhine Commission will decide by a majority of votes.

ARTICLE 66.

The railway and other bridges across the Rhine now existing within the limits of Alsace-Lorraine shall, as to all their parts and their whole length, be the property of the French State, which shall ensure their upkeep.

ARTICLE 67.

The French Government is substituted in all the rights of the German Empire over all the railways which were administered by the Imperial railway administration and which are actually working or under construction.

The same shall apply to the rights of the Empire with regard to railway and tramway concessions within the territories referred to in Article 51.

This substitution shall not entail any payment on the part of the French State.

The frontier railway stations shall be established by a subsequent agreement, it being stipulated in advance that on the Rhine frontier they shall be situated on the right bank.

ARTICLE 68.

In accordance with the provisions of Article 268 of Chapter I of Section I of Part X (Economic Clauses) of the present Treaty, for a period of five years from the coming into force of the present Treaty, natural or manufactured products originating in and coming from the territories referred to in Article 51 shall, on importation into German customs territory, be exempt from all customs duty.

The French Government may fix each year, by decree communicated to the German Government, the nature and amount of the products which shall enjoy this exemption.

The amount of each product which may be thus sent annually into Germany shall not exceed the average of the amounts sent annually in the years 1911-1913.

Further, during the period of five years above mentioned, the German Government shall allow the free export from Germany and the free re-importation into Germany, exempt from all customs duties and other charges (including internal charges), of yarns, tissues, and other textile materials or textile products of any kind in and in any condition, sent from Germany into the territories referred to in Article 51, to be subjected there to any finishing process, such as bleaching, dyeing, printing, mercerisation, gassing, twisting or dressing.

ARTICLE 69.

During a period of ten years from the coming into force of the present Treaty, central electric supply works situated in German territory and formerly furnishing electric power to the territories referred to in Article 51 or to any establishment the working of which passes permanently or temporarily from Germany to France, shall be required to continue such supply up to the amount of consumption corresponding to the undertakings and contracts current on November 11, 1918.

Such supply shall be furnished according to the contracts in force and at a rate which shall not be higher than that paid to the said works by German nationals.

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ARTICLE 70.

It is understood that the French Government preserves its right to prohibit in the future in the territories referred to in Article 51 all new German participation:

1. In the management or exploitation of the public domain and of public services, such as railways, navigable waterways, water works, gas works, electric power, etc.;

2. In the ownership of mines and quarries of every kind and in enterprises connected therewith;

3. In metallurgical establishments, even though their working may not be connected with that of any mine.

ARTICLE 71.

As regards the territories referred to in Article 51, Germany renounces on behalf of herself and her nationals as from November 11, 1918, all rights under the law of May 25, 1910, regarding the trade in potash salts, and generally under any stipulations for the intervention of German organisations in the working of the potash mines. Similarly, she renounces on behalf of herself and her nationals all rights under any agreements, stipulations or laws which may exist to her benefit with regard to other products of the aforesaid territories.

ARTICLE 72.

The settlement of the questions relating to debts contracted before November 11, 1918, between the German Empire and the German States or their nationals residing in Germany on the one part and Alsace-Lorrainers residing in Alsace-Lorraine on the other part shall be effected in accordance with the provisions of Section III of Part X (Economic Clauses) of the present Treaty, the expression "before the war" therein being replaced by the expression "before November 11, 1918". The rate of exchange applicable in the case of such settlement shall be the average rate quoted on the Geneva Exchange during the month preceding November 11, 1918.

There may be established in the territories referred to in Article 51, for the settlement of the aforesaid debts under the conditions laid down in Section III of Part X (Economic Clauses) of the present Treaty, a special Clearing Office, it being understood that this Office shall be regarded as a "Central Office" under the provisions of paragraph 1 of the Annex to the said Section.

ARTICLE 73.

The private property, rights and interests of Alsace-Lorrainers in Germany will be regulated by the stipulations of Section IV of Part X (Economic Clauses) of the present Treaty.

ARTICLE 74.

The French Government reserves the right to retain and liquidate all the property, rights and interests which German nationals or societies controlled by Germany possessed in the territories referred to in Article 51 on November 11, 1918, subject to the conditions laid down in the last paragraph of Article 53 above.

Germany will directly compensate her nationals who may have been dispossessed by the aforesaid liquidations.

The product of these liquidations shall be applied in accordance with the stipulations of Sections III and IV of Part X (Economic Clauses) of the present Treaty.

ARTICLE 75.

Notwithstanding the stipulations of Section V of Part X (Economic Clauses) of the present Treaty, all contracts made before the date of the promulgation in Alsace-Lorraine of the French decree of November 30, 1918, between Alsace-Lorrainers (whether individuals or juridical persons) or others resident in Alsace-Lorraine on the one part and the German Empire or German States and their nationals resident in Germany on the other part, the execution of which has been suspended by the Armistice or by subsequent French legislation, shall be maintained.

Nevertheless, any contract of which the French Government shall notify the cancellation to Germany in the general interest within a period of six months from the date of the coming into force of the present Treaty, shall be annulled except in respect of any debt or other pecuniary obligation arising out of any act done or money paid thereunder before November 11, 1918. If this dissolution would cause one of the parties substantial prejudice, equitable compensation, calculated solely on the capital employed without taking account of loss of profits, shall be accorded to the prejudiced party.

With regard to prescriptions, limitations and forfeitures in Alsace-Lorraine, the provisions of Articles 300 and 301 of Section V of Part X (Economic Clauses) shall be applied with the substitution for the expression "outbreak of war" of the expression "November 11, 1918," and for the expression "duration of the war" of the expression "period from November 11, 1918, to the date of the coming into force of the present Treaty."

ARTICLE 76.

Questions concerning rights in industrial, literary or artistic property of Alsace-Lorrainers shall be regulated in accordance with the general stipulations of Section VII of Part X (Economic Clauses) of the present Treaty, it being understood that Alsace-Lorrainers holding rights of this nature under German legislation will preserve full and entire enjoyment of those rights on German territory.

ARTICLE 77.

The German Government undertakes to pay over to the French Government such proportion of all reserves accumulated by the Empire or by public or private bodies dependent upon it, for the purposes of disability and old age insurance, as would fall to the disability and old age insurance fund at Strasburg.

The same shall apply in respect of the capital and reserves accumulated in Germany falling legitimately to other social insurance funds, to miners' superannuation funds, to the fund of the railways of Alsace-Lorraine, to other superannuation organizations established for the benefit of the personnel of public administrations and institutions operating in Alsace-Lorraine, and also in respect of the capital and reserves due by the insurance fund of private employees at Berlin, by reason of engagements entered into for the benefit of insured persons of that category resident in Alsace-Lorraine.

A special Convention shall determine the conditions and procedure of these transfers.

ARTICLE 78.

With regard to the execution of judgments, appeals and prosecutions, the following rules shall be applied:

(1) All civil and commercial judgments which shall have been given since August 3, 1914, by the Courts of Alsace-Lorraine between Alsace-Lorrainers, or between Alsace-Lorrainers and foreigners, or between foreigners, and which shall not have been appealed from before November 11, 1918, shall be regarded as final and susceptible of immediate execution without further formality.

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When the judgment has been given between Alsace-Lorrainers and Germans or between Alsace-Lorrainers and subjects of the allies of Germany, it shall only be capable of execution after the issue of an *exequatur* by the corresponding new tribunal in the restored territory referred to in Article 51.

(2) All judgments given by German Courts since August 3, 1914, against Alsace-Lorrainers for political crimes or misdemeanours shall be regarded as null and void.

(3) All sentences passed since November 11, 1918, by the Court of the Empire at Leipzig on appeals against the decisions of the Courts of Alsace-Lorraine shall be regarded as null and void and shall be so pronounced. The papers in regard to the cases in which such sentences have been given shall be returned to the Courts of Alsace-Lorraine concerned.

All appeals to the Court of the Empire against decisions of the Courts of Alsace-Lorraine shall be suspended. The papers shall be returned under the aforesaid conditions for transfer without delay to the French Cour de Cassation, which shall be competent to decide them.

(4) All prosecutions in Alsace-Lorraine for offences committed during the period between November 11, 1918, and the coming into force of the present Treaty will be conducted under German law except in so far as this has been modified by decrees duly published on the spot by the French authorities.

(5) All other questions as to competence, procedure or administration of justice shall be determined by a special Convention between France and Germany.

ARTICLE 79.

The stipulations as to nationality contained in the Annex hereto shall be considered as of equal force with the provisions of the present Section.

All other questions concerning Alsace-Lorraine which are not regulated by the present Section and the Annex thereto or by the general provisions of the present Treaty will form the subject of further conventions between France and Germany.

ANNEX.

1.

As from November 11, 1918, the following persons are *ipso facto* reinstated in French nationality:

(1) Persons who lost French nationality by the application of the Franco-German Treaty of May 10, 1871, and who have not since that date acquired any nationality other than German;

(2) The legitimate or natural descendants of the persons referred to in the immediately preceding paragraph, with the exception of those whose ascendants in the paternal line include a German who migrated into Alsace-Lorraine after July 15, 1870;

(3) All persons born in Alsace-Lorraine of unknown parents, or whose nationality is unknown.

2.

Within the period of one year from the coming into force of the present Treaty, persons included in any of the following categories may claim French nationality:

(1) All persons not restored to French nationality under paragraph 1 above, whose ascendants include a Frenchman or Frenchwoman who lost French nationality under the conditions referred to in the said paragraph;

(2) All foreigners, not nationals of a German State, who acquired the status of a citizen of Alsace-Lorraine before August 3, 1914;

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(3) All Germans domiciled in Alsace-Lorraine, if they have been so domiciled since a date previous to July 15, 1870, or if one of their ascendants was at that date domiciled in Alsace-Lorraine;

(4) All Germans born or domiciled in Alsace-Lorraine who have served in the Allied or Associated armies during the present war, and their descendants;

(5) All persons born in Alsace-Lorraine before May 10, 1871, of foreign parents, and the descendants of such persons;

(6) The husband or wife of any person whose French nationality may have been restored under paragraph 1, or who may have claimed and obtained French nationality in accordance with the preceding provisions.

The legal representative of a minor may exercise, on behalf of that minor, the right to claim French nationality; and if that right has not been exercised, the minor may claim French nationality within the year following his majority.

Except in the cases provided for in No. (6) of the present paragraph, the French authorities reserve to themselves the right, in individual cases, to reject the claim to French nationality.

3.

Subject to the provisions of paragraph 2, Germans born or domiciled in Alsace-Lorraine shall not acquire French nationality by reason of the restoration of Alsace-Lorraine to France, even though they may have the status of citizens of Alsace-Lorraine.

They may acquire French nationality only by naturalisation, on condition of having been domiciled in Alsace-Lorraine from a date previous to August 3, 1914, and of submitting proof of unbroken residence within the restored territory for a period of three years from November 11, 1918.

France will be solely responsible for their diplomatic and consular protection from the date of their application for French naturalisation.

4.

The French Government shall determine the procedure by which reinstatement in French nationality as of right shall be effected, and the conditions under which decisions shall be given upon claims to such nationality and applications for naturalisation, as provided by the present Annex.

SECTION VI.

Austria.

ARTICLE 80.

Germany acknowledges and will respect strictly the independence of Austria, within the frontiers which may be fixed in a Treaty between that State and the Principal Allied and Associated Powers; she agrees that this independence shall be inalienable, except with the consent of the Council of the League of Nations.

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SECTION VII.

Czecho-Slovak State.

ARTICLE 81.

Germany, in conformity with the action already taken by the Allied and Associated Powers, recognizes the complete independence of the Czecho-Slovak State which will include the autonomous territory of the Ruthenians to the south of the Carpathians. Germany hereby recognizes the frontiers of this State as determined by the Principal Allied and Associated Powers and other interested States.

ARTICLE 82.

The old frontier as it existed on August 3, 1914, between Austria-Hungary and the German Empire will constitute the frontier between Germany and the Czecho-Slovak State.

ARTICLE 83.

Germany renounces in favour of the Czecho-Slovak State all rights and title over the portion of Silesian territory defined as follows:

starting from a point about 2 kilometres south-east of Katscher, on the boundary between the *Kreise* of Leobschütz and Ratibor:

the boundary between the two *Kreise*;

then, the former boundary between Germany and Austria-Hungary up to a point on the Oder immediately to the south of the Ratibor-Oderberg railway;

thence, towards the north-west and up to a point about 2 kilometres to the south-east of Katscher:

a line to be fixed on the spot passing to the west of Kranowitz.

A Commission composed of seven members, five nominated by the Principal Allied and Associated Powers, one by Poland and one by the Czecho-Slovak State, will be appointed fifteen days after the coming into force of the present Treaty to trace on the spot the frontier line between Poland and the Czecho-Slovak State.

The decisions of this Commission will be taken by a majority and shall be binding on the parties concerned.

Germany hereby agrees to renounce in favour of the Czecho-Slovak State all rights and title over the part of the *Kreis* of Leobschütz comprised within the following boundaries in case after the determination of the frontier between Germany and Poland the said part of that *Kreis* should become isolated from Germany.

from the southeastern extremity of the salient of the former Austrian frontier at about 5 kilometres to the west of Leobschütz southwards and up to the point of junction with the boundary between the *Kreise* of Leobschütz and Ratibor:

the former frontier between Germany and Austria-Hungary;

then, northwards, the administrative boundary between the *Kreise* of Leobschütz and Ratibor up to a point situated about 2 kilometres to the south-east of Katscher;

thence, northwestwards and up to the starting-point of this definition:

a line to be fixed on the spot passing to the east of Katscher.

ARTICLE 84.

German nationals habitually resident in any of the territories recognized as forming part of the Czecho-Slovak State will obtain Czecho-Slovak nationality *ipso facto* and lose their German nationality.

ARTICLE 85.

Within a period of two years from the coming into force of the present Treaty, German nationals over eighteen years of age habitually resident in any of the territories recognized as forming part of the Czecho-Slovak State will be entitled to opt for German nationality. Czecho-Slovaks who are German nationals and are habitually resident in Germany will have a similar right to opt for Czecho-Slovak nationality.

Option by a husband will cover his wife and option by parents will cover their children under eighteen years of age.

Persons who have exercised the above right to opt must within the succeeding twelve months transfer their place of residence to the State for which they have opted.

They will be entitled to retain their landed property in the territory of the other State where they had their place of residence before exercising the right to opt. They may carry with them their movable property of every description. No export or import duties may be imposed upon them in connection with the removal of such property.

Within the same period Czecho-Slovaks who are German nationals and are in a foreign country will be entitled, in the absence of any provisions to the contrary in the foreign law, and if they have not acquired the foreign nationality, to obtain Czecho-Slovak nationality and lose their German nationality by complying with the requirements laid down by the Czecho-Slovak State.

ARTICLE 86.

The Czecho-Slovak State accepts and agrees to embody in a Treaty with the Principal Allied and Associated Powers such provisions as may be deemed necessary by the said Powers to protect the interests of inhabitants of that State who differ from the majority of the population in race, language or religion.

The Czecho-Slovak State further accepts and agrees to embody in a Treaty with the said powers such provisions as they may deem necessary to protect freedom of transit and equitable treatment of the commerce of other nations.

The proportion and nature of the financial obligations of Germany and Prussia with the Czecho-Slovak State will have to assume on account of the Silesian territory placed under its sovereignty will be determined in accordance with Article 254 of Part IX (Financial Clauses) of the present Treaty.

Subsequent agreements will decide all questions not decided by the present Treaty which may arise in consequence of the cession of the said territory.

SECTION VIII.

Poland.

ARTICLE 87.

Germany, in conformity with the action already taken by the Allied and Associated Powers, recognizes the complete independence of Poland, and renounces in her favour all rights and title over the territory bounded by the Baltic Sea, the eastern frontier of Germany as laid down in Article 27 of Part II (Boundaries of Germany) of the present Treaty up to a point situated about 2 kilometres to the east of Lorzendorf, then a line to the acute angle which the northern boundary of Upper Silesia makes about 3 kilometres north-west of Simmenau, then the boundary of Upper Silesia to its meeting point with the old frontier between Germany and Russia, then this frontier to the point where it crosses the course of the Niemen, and then the northern frontier of East Prussia as laid down in Article 28 of Part II aforesaid.

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The provisions of this Article do not, however, apply to the territories of East Prussia and the Free City of Danzig, as defined in Article 28 of Part II (Boundaries of Germany) and in Article 100 of Section XI (Danzig) of this Part.

The boundaries of Poland not laid down in the present Treaty will be subsequently determined by the Principal Allied and Associated Powers.

A Commission consisting of seven members, five of whom shall be nominated by the Principal Allied and Associated Powers, one by Germany and one by Poland, shall be constituted fifteen days after the coming into force of the present Treaty to delimit on the spot the frontier line between Poland and Germany.

The decisions of the Commission will be taken by a majority of votes and shall be binding upon the parties concerned.

ARTICLE 88.

In the portion of Upper Silesia included within the boundaries described below, the inhabitants will be called upon to indicate by a vote whether they wish to be attached to Germany or to Poland:

Starting from the northern point of the salient of the old province of Austrian Silesia situated about 8 kilometres east of Neustadt, the former frontier between Germany and Austria to its junction with the boundary between the *Kreise* of Leobschütz and Ratibor:

thence in a northerly direction to a point about 2 kilometres south-east of Katscher:

the boundary between the *Kreise* of Leobschütz and Ratibor;

thence in a south-easterly direction to a point on the course of the Oder immediately south of the Ratibor-Oderberg railway:

a line to be fixed on the ground passing south of Kranowitz;

thence the old boundary between Germany and Austria, then the old boundary between Germany and Russia to its junction with the administrative boundary between Posnania and Upper Silesia;

thence this administrative boundary to its junction with the administrative boundary between Upper and Middle Silesia;

thence westwards to the point where the administrative boundary turns in an acute angle to the south-east about 3 kilometres north-west of Simmenau:

the boundary between Upper and Middle Silesia;

then in a westerly direction to a point to be fixed on the ground about 2 kilometres east of Lorzendorf:

a line to be fixed on the ground passing north of Klein Hennersdorf;

thence southwards to the point where the boundary between Upper and Middle Silesia cuts the Städtel-Karlsruhe road:

a line to be fixed on the ground passing west of Hennersdorf, Polkowitz, Noldau, Sterinersdorf and Dammer, and east of Strehlitz, Nassadel, Eckersdorf, Schwirz and Städtel;

thence the boundary between Upper and Middle Silesia to its junction with the eastern boundary of the *Kreis* of Falkenberg;

then the eastern boundary of the *Kreis* of Falkenberg to the point of the salient which is 3 kilometres east of Puschine;

thence to the northern point of the salient of the old province of Austrian Silesia situated about 8 kilometres east of Neustadt:

a line to be fixed on the ground passing east of Zülz.

The régime under which this plebiscite will be taken and given effect to is laid down in the Annex hereto.

The Polish and German Governments hereby respectively bind themselves to conduct no prosecutions on any part of their territory and to take no exceptional

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proceedings for any political action performed in Upper Silesia during the period of the régime laid down in the Annex hereto and up to the statement of the final status of the country.

Germany hereby renounces in favour of Poland all rights and title over the portion of Upper Silesia lying beyond the frontier line fixed by the Principal Allied and Associated Powers as the result of the plebiscite.

ANNEX.

1

Within fifteen days from the coming into force of the present Treaty the German troops and such officials as may be designated by the Commission set up under the provisions of paragraph 2 shall evacuate the plebiscite area. Up to the moment of the completion of the evacuation they shall refrain from any form of requisitioning in money or in kind and from all acts likely to prejudice the material interests of the country.

Within the same period the Workmens' and Soldiers' Councils which have been constituted in this area shall be dissolved. Members of such Councils who are natives of another region and are exercising their functions at the date of the coming into force of the present Treaty, or who have gone out of office since March 1, 1919, shall be evacuated.

All military and semi-military unions formed in the said area by inhabitants of the district shall be immediately disbanded. All members of such military organizations who are not domiciled in the said area shall be required to leave it.

2

The plebiscite area shall be immediately placed under the authority of an International Commission of four members to be designated by the following Powers: the United States of America, France, the British Empire and Italy. It shall be occupied by troops belonging to the Allied and Associated Powers, and the German Government undertakes to give facilities for the transference of these troops to Upper Silesia.

3

The Commission shall enjoy all the powers exercised by the German or the Prussian Government, except those of legislation or taxation. It shall also be substituted for the Government of the province and the *Regierungsbezirk*.

It shall be within the competence of the Commission to interpret the powers hereby conferred upon it and to determine to what extent it shall exercise them, and to what extent they shall be left in the hands of the existing authorities.

Changes in the existing laws and the existing taxation shall only be brought into force with the consent of the Commission.

The Commission will maintain order with the help of the troops which will be at its disposal, and, to the extent which it may deem necessary, by means of gendarmerie recruited among the inhabitants of the country.

The Commission shall provide immediately for the replacement of the evacuated German officials and, if occasion arises, shall itself order the evacuation of such authorities and proceed to the replacement of such local authorities as may be required.

It shall take all steps which it thinks proper to ensure the freedom, fairness and secrecy of the vote. In particular, it shall have the right to order the expulsion of any person who may in any way have attempted to distort the result of the plebiscite by methods of corruption or intimidation.

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The Commission shall have full power to settle all questions arising from the execution of the present clauses. It shall be assisted by technical advisers chosen by it from among the local population.

The decisions of the Commission shall be taken by a majority vote.

4

The vote shall take place at such date as may be determined by the Principal Allied and Associated Powers, but not sooner than six months or later than eighteen months after the establishment of the Commission in the area.

The right to vote shall be given to all persons without distinction of sex who:

(a) Have completed their twentieth year on the 1st January of the year in which the plebiscite takes place;

(b) Were born in the plebiscite area or have been domiciled there since a date to be determined by the Commission, which shall not be subsequent to January 1, 1919, or who have been expelled by the German authorities and have not retained their domicile there.

Persons convicted of political offences shall be enabled to exercise their right of voting.

Every person will vote in the commune where he is domiciled or in which he was born, if he has not retained his domicile in the area.

The result of the vote will be determined by communes according to the majority of votes in each commune.

5

On the conclusion of the voting, the number of votes cast in each commune will be communicated by the Commission to the Principal Allied and Associated Powers, with a full report as to the taking of the vote and a recommendation as to the line which ought to be adopted as the frontier of Germany in Upper Silesia. In this recommendation regard will be paid to the wishes of the inhabitants as shown by the vote, and to the geographical and economic conditions of the locality.

6

As soon as the frontier has been fixed by the Principal Allied and Associated Powers, the German authorities will be notified by the International Commission that they are free to take over the administration of the territory which it is recognised should be German; the said authorities must proceed to do so within one month of such notification and in the manner prescribed by the Commission.

Within the same period and in the manner prescribed by the Commission, the Polish Government must proceed to take over the administration of the territory which it is recognised should be Polish.

When the administration of the territory has been provided for by the German and Polish authorities respectively, the powers of the Commission will terminate.

The cost of the army of occupation and expenditure by the Commission, whether in discharge of its own functions or in the administration of the territory, will be a charge on the area.

ARTICLE 89.

Poland undertakes to accord freedom of transit to persons, goods, vessels, carriages, wagons and mails in transit between East Prussia and the rest of Germany over Polish territory, including territorial waters, and to treat them at least as favourably as the persons, goods, vessels, carriages, wagons and mails respectively

of Polish or of any other more favoured nationality, origin, importation, starting point, or ownership as regards facilities, restrictions and all other matters.

Goods in transit shall be exempt from all customs or other similar duties.

Freedom of transit will extend to telegraphic and telephonic services under the conditions laid down by the conventions referred to in Article 98.

ARTICLE 90.

Poland undertakes to permit for a period of fifteen years the exportation to Germany of the products of the mines in any part of Upper Silesia transferred to Poland in accordance with the present Treaty.

Such products shall be free from all export duties or other charges or restrictions on exportation.

Poland agrees to take such steps as may be necessary to secure that any such products shall be available for sale to purchasers in Germany on terms as favourable as are applicable to like products sold under similar conditions to purchasers in Poland or in any other country.

ARTICLE 91.

German nationals habitually resident in territories recognised as forming part of Poland will acquire Polish nationality *ipso facto* and will lose their German nationality.

German nationals, however, or their descendants who became resident in these territories after January 1, 1908, will not acquire Polish nationality without a special authorisation from the Polish State.

Within a period of two years after the coming into force of the present Treaty, German nationals over 18 years of age habitually resident in any of the territories recognised as forming part of Poland will be entitled to opt for German nationality.

Poles who are German nationals over 18 years of age and habitually resident in Germany will have a similar right to opt for Polish nationality.

Option by a husband will cover his wife and option by parents will cover their children under 18 years of age.

Persons who have exercised the above right to opt may within the succeeding twelve months transfer their place of residence to the State for which they have opted.

They will be entitled to retain their immovable property in the territory of the other State where they had their place of residence before exercising the right to opt.

They may carry with them their movable property of every description. No export or import duties or charges may be imposed upon them in connection with the removal of such property.

Within the same period Poles who are German nationals and are in a foreign country will be entitled, in the absence of any provisions to the contrary in the foreign law, and if they have not acquired the foreign nationality, to obtain Polish nationality and to lose their German nationality by complying with the requirements laid down by the Polish State.

In the portion of Upper Silesia submitted to a plebiscite the provisions of this Article shall only come into force as from the definitive attribution of the territory.

ARTICLE 92.

The proportion and the nature of the financial liabilities of Germany and Prussia which are to be borne by Poland will be determined in accordance with Article 254 of Part IX (Financial Clauses) of the present Treaty.

There shall be excluded from the share of such financial liabilities assumed by Poland that portion of the debt which, according to the finding of the Reparation Commission referred to in the above-mentioned Article, arises from measures adopted by the German and Prussian Governments with a view to German colonisation in Poland.

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In fixing under Article 256 of the present Treaty the value of the property and possessions belonging to the German Empire and to the German States which pass to Poland with the territory transferred above, the Reparation Commission shall exclude from the valuation buildings, forests and other State property which belonged to the former Kingdom of Poland; Poland shall acquire these properties free of all costs and charges.

In all the German territory transferred in accordance with the present Treaty and recognised as forming definitively part of Poland, the property, rights and interests of German nationals shall not be liquidated under Article 297 by the Polish Government except in accordance with the following provisions:

(1) The proceeds of the liquidation shall be paid direct to the owner;

(2) If on his application the Mixed Arbitral Tribunal provided for by Section VI of Part X (Economic Clauses) of the present Treaty, or an arbitrator appointed by that Tribunal, is satisfied that the conditions of the sale or measures taken by the Polish Government outside its general legislation were unfairly prejudicial to the price obtained, they shall have discretion to award to the owner equitable compensation to be paid by the Polish Government.

Further agreements will regulate all questions arising out of the cession of the above territory which are not regulated by the present Treaty.

ARTICLE 93.

Poland accepts and agrees to embody in a Treaty with the Principal Allied and Associated Powers such provisions as may be deemed necessary by the said Powers to protect the interests of inhabitants of Poland who differ from the majority of the population in race, language or religion.

Poland further accepts and agrees to embody in a Treaty with the said Powers such provisions as they may deem necessary to protect freedom of transit and equitable treatment of the commerce of other nations.

SECTION IX.

East Prussia.

ARTICLE 94.

In the area between the southern frontier of East Prussia, as described in Article 28 of Part II (Boundaries of Germany) of the present Treaty, and the line described below, the inhabitants will be called upon to indicate by a vote the State to which they wish to belong:

The western and northern boundary of *Regierungsbezirk* Allenstein to its junction with the boundary between the *Kreise* of Oletzko and Angerburg; thence, the northern boundary of the *Kreis* of Oletzko to its junction with the old frontier of East Prussia.

ARTICLE 95.

The German troops and authorities will be withdrawn from the area defined above within a period not exceeding fifteen days after the coming into force of the present Treaty. Until the evacuation is completed they will abstain from all requisitions in money or in kind and from all measures injurious to the economic interests of the country.

On the expiration of the above-mentioned period the said area will be placed under the authority of an International Commission of five members appointed by the Principal Allied and Associated Powers. This Commission will have general powers of administration and, in particular, will be charged with the duty of arranging

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for the vote and of taking such measures as it may deem necessary to ensure its freedom, fairness and secrecy. The Commission will have all necessary authority to decide any questions to which the execution of these provisions may give rise. The Commission will make such arrangements as may be necessary for assistance in the exercise of its functions by officials chosen by itself from the local population. Its decisions will be taken by a majority.

Every person, irrespective of sex, will be entitled to vote who :

(a) Is 20 years of age at the date of the coming into force of the present Treaty, and

(b) Was born within the area where the vote will take place or has been habitually resident there from a date to be fixed by the Commission.

Every person will vote in the commune where he is habitually resident or, if not habitually resident in the area, in the commune where he was born.

The result of the vote will be determined by communes (*Gemeinde*) according to the majority of the votes in each commune.

On the conclusion of the voting the number of votes cast in each commune will be communicated by the Commission to the Principal Allied and Associated Powers, with a full report as to the taking of the vote and a recommendation as to the line which ought to be adopted as the boundary of East Prussia in this region. In this recommendation regard will be paid to the wishes of the inhabitants as shown by the vote and to the geographical and economic conditions of the locality. The Principal Allied and Associated Powers will then fix the frontier between East Prussia and Poland in this region.

If the line fixed by the Principal Allied and Associated Powers is such as to exclude from East Prussia any part of the territory defined in Article 94, the renunciation of its rights by Germany in favour of Poland, as provided in Article 87 above, will extend to the territories so excluded.

As soon as the line has been fixed by the Principal Allied and Associated Powers, the authorities administering East Prussia will be notified by the International Commission that they are free to take over the administration of the territory to the north of the line so fixed, which they shall proceed to do within one month of such notification and in the manner prescribed by the Commission. Within the same period and as prescribed by the Commission, the Polish Government must proceed to take over the administration of the territory to the south of the line. When the administration of the territory by the East Prussian and Polish authorities respectively has been provided for, the powers of the Commission will terminate.

Expenditure by the Commission, whether in the discharge of its own functions or in the administration of the territory, will be borne by the local revenues. East Prussia will be required to bear such proportion of any deficit as may be fixed by the Principal Allied and Associated Powers.

ARTICLE 96.

In the area comprising the *Kreise* of Stuhm and Rosenberg and the portion of the *Kreis* of Marienburg which is situated east of the Nogat and that of Marienwerder east of the Vistula, the inhabitants will be called upon to indicate by a vote, to be taken in each commune (*Gemeinde*), whether they desire the various communes situated in this territory to belong to Poland or to East Prussia.

ARTICLE 97.

The German troops and authorities will be withdrawn from the area defined in Article 96 within a period not exceeding fifteen days after the coming into force of the present Treaty. Until the evacuation is completed they will abstain from all requisitions in money or in kind and from all measures injurious to the economic interests of the country.

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On the expiration of the above-mentioned period, the said area will be placed under the authority of an International Commission of five members appointed by the Principal Allied and Associated Powers. This Commission, supported if occasion arises by the necessary forces, will have general powers of administration and in particular will be charged with the duty of arranging for the vote and of taking such measures as it may deem necessary to ensure its freedom, fairness and secrecy. The Commission will conform as far as possible to the provisions of the present Treaty relating to the plebiscite in the Allenstein area; its decisions will be taken by a majority.

Expenditure by the Commission, whether in the discharge of its own functions or in the administration of the territory, will be borne by the local revenues.

On the conclusion of the voting the number of votes cast in each commune will be communicated by the Commission to the Principal Allied and Associated Powers with a full report as to the taking of the vote and a recommendation as to the line which ought to be adopted as the boundary of East Prussia in this region. In this recommendation regard will be paid to the wishes of the inhabitants as shown by the vote and to the geographical and economic conditions of the locality. The Principal Allied and Associated Powers will then fix the frontier between East Prussia and Poland in this region, leaving in any case to Poland for the whole of the section bordering on the Vistula full and complete control of the river including the east bank as far east of the river as may be necessary for its regulation and improvement. Germany agrees that in any portion of the said territory which remains German, no fortifications shall at any time be erected.

The Principal Allied and Associated Powers will at the same time draw up regulations for assuring to the population of East Prussia to the fullest extent and under equitable conditions access to the Vistula and the use of it for themselves, their commerce and their boats.

The determination of the frontier and the foregoing regulations shall be binding upon all the parties concerned.

When the administration of the territory has been taken over by the East Prussian and Polish authorities respectively, the powers of the Commission will terminate.

ARTICLE 98.

Germany and Poland undertake, within one year of the coming into force of this Treaty, to enter into conventions of which the terms, in case of difference, shall be settled by the Council of the League of Nations, with the object of securing, on the one hand to Germany full and adequate railroad, telegraphic and telephonic facilities for communication between the rest of Germany and East Prussia over the intervening Polish territory, and on the other hand to Poland full and adequate railroad, telegraphic and telephonic facilities for communication between Poland and the Free City of Danzig over any German territory that may, on the right bank of the Vistula, intervene between Poland and the Free City of Danzig.

SECTION X.

Memel.

ARTICLE 99.

Germany renounces in favour of the Principal Allied and Associated Powers all rights and title over the territories included between the Baltic, the north eastern frontier of East Prussia as defined in Article 28 of Part II (Boundaries of Germany) of the present Treaty and the former frontier between Germany and Russia.

Germany undertakes to accept the settlement made by the Principal Allied and Associated Powers in regard to these territories, particularly in so far as concerns the nationality of the inhabitants.

SECTION XI.

Free City of Danzig.

ARTICLE 100.

Germany renounces in favour of the Principal Allied and Associated Powers all rights and title over the territory comprised within the following limits:

from the Baltic Sea southwards to the point where the principal channels of navigation of the Nogat and the Vistula (Weichsel) meet:

the boundary of East Prussia as described in Article 28 of Part II (Boundaries of Germany) of the present Treaty;

thence the principal channel of navigation of the Vistula downstream to a point about $6\frac{1}{2}$ kilometres north of the bridge of Dirschau;

thence north-west to point 5, $1\frac{1}{2}$ kilometres south-east of the church of Güttland: a line to be fixed on the ground;

thence in a general westerly direction to the salient made by the boundary of the *Kreis* of Berent $8\frac{1}{2}$ kilometres north-east of Schöneck:

a line to be fixed on the ground passing between Mühlbanz on the south and Rambeltsch on the north;

thence the boundary of the *Kreis* of Berent westwards to the re-entrant which it forms 6 kilometres north-north-west of Schöneck;

thence to a point on the median line of Lonkenër See:

a line to be fixed on the ground passing north of Neu Fietz and Schatarpi and south of Barenhütte and Lonken;

thence the median line of Lonkenër See to its northernmost point;

thence to the southern end of Pollenziner See:

a line to be fixed on the ground;

thence the median line of Pollenziner See to its northernmost point;

thence in a north-easterly direction to a point about 1 kilometre south of Koliebkien church, where the Danzig-Neustadt railway crosses a stream:

a line to be fixed on the ground passing south-east of Kamehlen, Krissau, Fidin, Sulmin (Riechthof), Mattern, Schüferei, and to the north-west of Neuendorf, Marschau, Czapielken, Hoch- and Klein-Kelpin, Pulvermühl, Renneberg and the towns of Oliva and Zoppot;

thence the course of the stream mentioned above to the Baltic Sea.

The boundaries described above are drawn on a German map, scale 1/100,000, attached to the present Treaty (Map No. 3).

ARTICLE 101.

A Commission composed of three members appointed by the Principal Allied and Associated Powers, including a High Commissioner as President, one member appointed by Germany and one member appointed by Poland, shall be constituted within fifteen days of the coming into force of the present Treaty for the purpose of delimiting on the spot the frontier of the territory as described above, taking into account as far as possible the existing communal boundaries.

ARTICLE 102.

The Principal Allied and Associated Powers undertake to establish the town of Danzig, together with the rest of the territory described in Article 100, as a Free City. It will be placed under the protection of the League of Nations.

ARTICLE 103.

A Constitution for the Free City of Danzig shall be drawn up by the duly appointed representatives of the Free City in agreement with a High Commissioner to be appointed by the League of Nations. This constitution shall be placed under the guarantee of the League of Nations.

The High Commissioner will also be entrusted with the duty of dealing in the first instance with all differences arising between Poland and the Free City of Danzig in regard to this Treaty or any arrangements or agreements made thereunder.

The High Commissioner shall reside at Danzig.

ARTICLE 104.

The Principal Allied and Associated Powers undertake to negotiate a Treaty between the Polish Government and the Free City of Danzig, which shall come into force at the same time as the establishment of the said Free City, with the following objects:

(1) To effect the inclusion of the Free City of Danzig within the Polish Customs frontiers, and to establish a free area in the port;

(2) To ensure to Poland without any restriction the free use and service of all waterways, docks, basins, wharves and other works within the territory of the Free City necessary for Polish imports and exports;

(3) To ensure to Poland the control and administration of the Vistula and of the whole railway system within the Free City, except such street and other railways as serve primarily the needs of the Free City, and of postal, telegraphic and telephonic communication between Poland and the port of Danzig;

(4) To ensure to Poland the right to develop and improve the waterways, docks, basins, wharves, railways and other works and means of communication mentioned in this Article, as well as to lease or purchase through appropriate processes such land and other property as may be necessary for these purposes;

(5) To provide against any discrimination within the Free City of Danzig to the detriment of citizens of Poland and other persons of Polish origin or speech;

(6) To provide that the Polish Government shall undertake the conduct of the foreign relations of the Free City of Danzig as well as the diplomatic protection of citizens of that city when abroad.

ARTICLE 105.

On the coming into force of the present Treaty German nationals ordinarily resident in the territory described in Article 100 will *ipso facto* lose their German nationality in order to become nationals of the Free City of Danzig.

ARTICLE 106.

Within a period of two years from the coming into force of the present Treaty, German nationals over 18 years of age ordinarily resident in the territory described in Article 100 will have the right to opt for German nationality.

Option by a husband will cover his wife and option by parents will cover their children less than 18 years of age.

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All persons who exercise the right of option referred to above must during the ensuing twelve months transfer their place of residence to Germany.

These persons will be entitled to preserve the immovable property possessed by them in the territory of the Free City of Danzig. They may carry with them their movable property of every description. No export or import duties shall be imposed upon them in this connection.

ARTICLE 107.

All property situated within the territory of the Free City of Danzig belonging to the German Empire or to any German State shall pass to the Principal Allied and Associated Powers for transfer to the Free City of Danzig or to the Polish State as they may consider equitable.

ARTICLE 108.

The proportion and nature of the financial liabilities of Germany and of Prussia to be borne by the Free City of Danzig shall be fixed in accordance with Article 254 of Part IX (Financial Clauses) of the present Treaty.

All other questions which may arise from the cession of the territory referred to in Article 100 shall be settled by further agreements.

SECTION XII.

Schleswig.

ARTICLE 109.

The frontier between Germany and Denmark shall be fixed in conformity with the wishes of the population.

For this purpose, the population inhabiting the territories of the former German Empire situated to the north of a line, from East to West (shown by a brown line on the map No. 4 annexed to the present Treaty):

leaving the Baltic Sea about 13 kilometres east-north-east of Flensburg,
running

south-west so as to pass south-east of: Sygum, Ringsberg, Munkbrarup, Adelby, Tastrup, Jarplund, Oversee, and north-west of: Langballigholz, Langballig Bönstrup, Rüllschau, Weseby, Kleinwolstrup, Gross-Solt.

thence westwards passing south of Frörup and north of Wanderup;

thence in a south-westerly direction passing south-east of Oxlund, Stieglund and Osternau and north-west of the villages on the Wanderup-Kollund road,

thence in a north-westerly direction passing south-west of Löwenstedt, Joldelund, Goldelund, and north-east of Kolkerheide and Högel to the bend of the Soholmer Au, about 1 kilometre east of Soholm, where it meets the southern boundary of the *Kreis* of Tondern,

following this boundary to the North Sea,

passing south of the islands of Fohr and Amrum and north of the islands of Oland and Langeness,

shall be called upon to pronounce by a vote which will be taken under the following conditions:

(1) Within a period not exceeding ten days from the coming into force of the present Treaty, the German troops and authorities (including the *Oberpräsidenten*, *Regierungs-präsidenten*, *Landrätthe*, *Amlsvorsteher*, *Oberbürgermeister*), shall evacuate the zone lying to the north of the line above fixed.

Within the same period the Workmen's and Soldiers' Councils which have been constituted in this zone shall be dissolved; members of such Councils who are natives

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of another region and are exercising their functions at the date of the coming into force of the present Treaty, or who have gone out of office since March 1, 1919, shall also be evacuated.

The said zone shall immediately be placed under the authority of an International Commission, composed of five members, of whom three will be designated by the Principal Allied and Associated Powers; the Norwegian and Swedish Governments will each be requested to designate a member; in the event of their failing to do so, these two members will be chosen by the Principal Allied and Associated Powers.

The Commission, assisted in case of need by the necessary force, shall have general powers of administration. In particular, it shall at once provide for filling the places of the evacuated German authorities, and if necessary shall itself give orders for their evacuation, and proceed to fill the places of such local authorities as may be required. It shall take all steps which it thinks proper to ensure the freedom, fairness, and secrecy of the vote. It shall be assisted by German and Danish technical advisers chosen by it from among the local population. Its decisions will be taken by a majority.

One-half of the expenses of the Commission and of the expenditure occasioned by the plebiscite shall be paid by Germany.

(2) The right to vote shall be given to all persons, without distinction of sex, who:

(a) Have completed their twentieth year at the date of the coming into force of the present Treaty; and

(b) Were born in the zone in which the plebiscite is taken, or have been domiciled there since a date before January 1, 1900, or had been expelled by the German authorities without having retained their domicile there.

Every person will vote in the commune (*Gemeinde*) where he is domiciled or of which he is a native.

Military persons, officers, non-commissioned officers and soldiers of the German army, who are natives of the zone of Schleswig in which the plebiscite is taken, shall be given the opportunity to return to their native place in order to take part in the voting there.

(3) In the section of the evacuated zone lying to the north of a line, from East to West (shown by a red line on map No. 4 which is annexed to the present Treaty):

passing south of the island of Alsens and following the median line off Flensburg Fjord,

leaving the fjord about 6 kilometres north of Flensburg and following the course of the stream flowing past Kupfermühle upstream to a point north of Niehuus,

passing north of Pattburg and Ellund and south of Fröslee to meet the eastern boundary of the *Kreis* of Tondern at its junction with the boundary between the old jurisdiction of Slogs and Kjær (*Slogs Herred and Kjær Herred*).

following the latter boundary to where it meets the Scheidebek,

following the course of the Scheidebek (*Alte Au*), *Süder Au* and *Wied Au* downstream successively to the point where the latter bends northwards about 1,500 metres west of Ruttebüll,

thence, in a west-north-westerly direction to meet the North Sea north of Sieltoft,

thence, passing north of the island of Sylt,

the vote above provided for shall be taken within a period not exceeding three weeks after the evacuation of the country by the German troops and authorities.

The result will be determined by the majority of votes cast in the whole of this section. This result will be immediately communicated by the Commission to the Principal Allied and Associated Powers and proclaimed.

If the vote results in favour of the reincorporation of this territory in the Kingdom of Denmark, the Danish Government in agreement with the Commission will be entitled to effect its occupation with their military and administrative authorities immediately after the proclamation.

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(4) In the section of the evacuated zone situated to the south of the preceding section and to the north of the line which starts from the Baltic Sea 13 kilometres from Flensburg and ends north of the islands of Oland and Langeness, the vote will be taken within a period not exceeding five weeks after the plebiscite shall have been held in the first section.

The result will be determined by communes (*Gemeinden*), in accordance with the majority of the votes cast in each commune (*Gemeinde*).

ARTICLE 110.

Pending a delimitation on the spot, a frontier line will be fixed by the Principal Allied and Associated Powers according to a line based on the result of the voting, and proposed by the International Commission, and taking into account the particular geographical and economic conditions of the localities in question.

From that time the Danish Government may effect the occupation of these territories with the Danish civil and military authorities, and the German Government may reinstate up to the said frontier line the German civil and military authorities whom it has evacuated.

Germany hereby renounces definitively in favour of the Principal Allied and Associated Powers all rights of sovereignty over the territories situated to the north of the frontier line fixed in accordance with the above provisions. The Principal Allied and Associated Powers will hand over the said territories to Denmark.

ARTICLE 111.

A Commission composed of seven members, five of whom shall be nominated by the Principal Allied and Associated Powers, one by Denmark, and one by Germany, shall be constituted within fifteen days from the date when the final result of the vote is known, to trace the frontier line on the spot.

The decisions of the Commission will be taken by a majority of votes and shall be binding on the parties concerned.

ARTICLE 112.

All the inhabitants of the territory which is returned to Denmark will acquire Danish nationality *ipso facto*, and will lose their German nationality.

Persons, however, who had become habitually resident in this territory after October 1, 1918, will not be able to acquire Danish nationality without permission from the Danish Government.

ARTICLE 113.

Within two years from the date on which the sovereignty over the whole or part of the territory of Schleswig subjected to the plebiscite is restored to Denmark:

Any person over 18 years of age, born in the territory restored to Denmark, not habitually resident in this region, and possessing German nationality, will be entitled to opt for Denmark;

Any person over 18 years of age habitually resident in the territory restored to Denmark will be entitled to opt for Germany.

Option by a husband will cover his wife and option by parents will cover their children less than 18 years of age.

Persons who have exercised the above right to option must within the ensuing twelve months transfer their place of residence to the State in favour of which they have opted.

They will be entitled to retain the immovable property which they own in the territory of the other State in which they were habitually resident before opting. They may carry with them their movable property of every description. No export or import duties may be imposed upon them in connection with the removal of such property.

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ARTICLE 114.

The proportion and nature of the financial and other obligations of Germany and Prussia which are to be assumed by Denmark will be fixed in accordance with Article 254 of Part IX (Financial Clauses) of the present Treaty.

Further stipulations will determine any other questions arising out of the transfer to Denmark of the whole or part of the territory of which she was deprived by the Treaty of October 30, 1864.

SECTION XIII.

Heligoland.

ARTICLE 115.

The fortifications, military establishments, and harbours of the Islands of Heligoland and Dune shall be destroyed under the supervision of the Principal Allied Governments by German labour and at the expense of Germany within a period to be determined by the said Governments.

The term "harbours" shall include the north-east mole, the west wall, the outer and inner breakwaters and reclaimed land within them, and all naval and military works, fortifications and buildings, constructed or under construction, between lines connecting the following positions taken from the British Admiralty chart No. 126 of April 19, 1918:

- (a) lat. $54^{\circ} 10' 49''$ N.; long. $7^{\circ} 53' 39''$ E.;
- (b) — $54^{\circ} 10' 35''$ N.; — $7^{\circ} 54' 18''$ E.;
- (c) — $54^{\circ} 10' 14''$ N.; — $7^{\circ} 54' 00''$ E.;
- (d) — $54^{\circ} 10' 17''$ N.; — $7^{\circ} 53' 37''$ E.;
- (e) — $54^{\circ} 10' 44''$ N.; — $7^{\circ} 53' 26''$ E.

These fortifications, military establishments and harbours shall not be reconstructed, nor shall any similar works be constructed in future.

SECTION XIV.

Russia and Russian States.

ARTICLE 116.

Germany acknowledges and agrees to respect as permanent and inalienable the independence of all the territories which were part of the former Russian Empire on August 1, 1914.

In accordance with the provisions of Article 259 of Part IX (Financial Clauses) and Article 292 of Part X (Economic Clauses) Germany accepts definitely the abrogation of the Brest-Litovsk Treaties and of all other treaties, conventions and agreements entered into by her with the Maximalist Government in Russia.

The Allied and Associated Powers formally reserve the rights of Russia to obtain from Germany restitution and reparation based on the principles of the present Treaty.

ARTICLE 117.

Germany undertakes to recognize the full force of all treaties or agreements which may be entered into by the Allied and Associated Powers with States now existing or coming into existence in future in the whole or part of the former Empire of Russia as it existed on August 1, 1914, and to recognize the frontiers of any such States as determined therein.

PART IV.

GERMAN RIGHTS AND INTERESTS OUTSIDE GERMANY.

ARTICLE 118.

In territory outside her European frontiers as fixed by the present Treaty, Germany renounces all rights, titles and privileges whatever in or over territory which belonged to her or to her allies, and all rights, titles and privileges whatever their origin which she held as against the Allied and Associated Powers.

Germany hereby undertakes to recognize and to conform to the measures which may be taken now or in the future by the Principal Allied and Associated Powers, in agreement where necessary with third Powers, in order to carry the above stipulation into effect.

In particular Germany declares her acceptance of the following Articles relating to certain special subjects.

SECTION 1.

German Colonies.

ARTICLE 119.

Germany renounces in favour of the Principal Allied and Associated Powers all her rights and titles over her oversea possessions.

ARTICLE 120.

All movable and immovable property in such territories belonging to the German Empire or to any German State shall pass to the Government exercising authority over such territories, on the terms laid down in Article 257 of Part IX (Financial Clauses) of the present Treaty. The decision of the local courts in any dispute as to the nature of such property shall be final.

ARTICLE 121.

The provisions of Sections I and IV of Part X (Economic Clauses) of the present Treaty shall apply in the case of these territories whatever be the form of Government adopted for them.

ARTICLE 122.

The Government exercising authority over such territories may make such provisions as it thinks fit with reference to the repatriation from them of German nationals and to the conditions upon which German subjects of European origin shall, or shall not, be allowed to reside, hold property, trade or exercise a profession in them.

ARTICLE 125.

The provisions of Article 260 of Part IX (Financial Clauses) of the present Treaty shall apply in the case of all agreements concluded with German nationals for the construction or exploitation of public works in the German oversea possessions, as well as any sub-concessions or contracts resulting therefrom which may have been made to or with such nationals.

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ARTICLE 124.

Germany hereby undertakes to pay, in accordance with the estimate to be presented by the French Government and approved by the Reparation Commission, reparation for damage suffered by French nationals in the Cameroons or the frontier zone by reason of the acts of the German civil and military authorities and of German private individuals during the period from January 1, 1900, to August 1, 1914.

ARTICLE 125.

Germany renounces all rights under the Conventions and Agreements with France of November 4, 1911, and September 28, 1912, relating to Equatorial Africa. She undertakes to pay to the French Government, in accordance with the estimate to be presented by that Government and approved by the Reparation Commission, all the deposits, credits, advances, etc., effected by virtue of these instruments in favour of Germany.

ARTICLE 126.

Germany undertakes to accept and observe the agreements made or to be made by the Allied and Associated Powers or some of them with any other Power with regard to the trade in arms and spirits, and to the matters dealt with in the General Act of Berlin of February 26, 1885, the General Act of Brussels of July 2, 1890, and the conventions completing or modifying the same.

ARTICLE 127.

The native inhabitants of the former German oversea possessions shall be entitled to the diplomatic protection of the Governments exercising authority over those territories.

SECTION II.

China.

ARTICLE 128.

Germany renounces in favour of China all benefits and privileges resulting from the provisions of the final Protocol signed at Peking on September 7, 1901, and from all annexes, notes and documents supplementary thereto. She likewise renounces in favour of China any claim to indemnities accruing thereunder subsequent to March 14, 1917.

ARTICLE 129.

From the coming into force of the present Treaty the High Contracting Parties shall apply, in so far as concerns them respectively:

(1) The Arrangement of August 29, 1902, regarding the new Chinese customs tariff;

(2) The Arrangement of September 27, 1905, regarding Whang-Poo, and the provisional supplementary Arrangement of April 4, 1912.

China, however, will no longer be bound to grant to Germany the advantages or privileges which she allowed Germany under these Arrangements.

ARTICLE 130.

Subject to the provisions of Section VIII of this Part, Germany cedes to China all the buildings, wharves and pontoons, barracks, forts, arms and munitions of war, vessels of all kinds, wireless telegraphy installations and other public property belonging to

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the German Government, which are situated or may be in the German Concessions at Tientsin and Hankow or elsewhere in Chinese territory.

It is understood, however, that premises used as diplomatic or consular residences or offices are not included in the above cession, and, furthermore, that no steps shall be taken by the Chinese Government to dispose of the German public and private property situated within the so-called Legation Quarter at Peking without the consent of the Diplomatic Representatives of the Powers which, on the coming into force of the present Treaty, remain Parties to the Final Protocol of September 7, 1901.

ARTICLE 131.

Germany undertakes to restore to China within twelve months from the coming into force of the present Treaty all the astronomical instruments which her troops in 1900-1901 carried away from China, and to defray all expenses which may be incurred in effecting such restoration, including the expenses of dismounting, packing, transporting, insurance and installation in Peking.

ARTICLE 132.

Germany agrees to the abrogation of the leases from the Chinese Government under which the German Concessions at Hankow and Tientsin are now held.

China, restored to the full exercise of her sovereign rights in the above areas, declares her intention of opening them to international residence and trade. She further declares that the abrogation of the leases under which these concessions are now held shall not affect the property rights of nationals of Allied and Associated Powers who are holders of lots in these concessions.

ARTICLE 133.

Germany waives all claims against the Chinese Government or against any Allied or Associated Government arising out of the internment of German nationals in China and their repatriation. She equally renounces all claims arising out of the capture and condemnation of German ships in China, or the liquidation, sequestration or control of German properties, rights and interests in that country since August 14, 1917. This provision, however, shall not affect the rights of the parties interested in the proceeds of any such liquidation, which shall be governed by the provisions of Part X (Economic Clauses) of the present Treaty.

ARTICLE 134.

Germany renounces in favour of the Government of His Britannic Majesty the German State property in the British Concession at Shameen at Canton. She renounces in favour of the French and Chinese Governments conjointly the property of the German school situated in the French Concession at Shanghai.

SECTION III.

Siam.

ARTICLE 135.

Germany recognizes that all treaties, conventions and agreements between her and Siam, and all rights, title and privileges derived therefrom, including all rights of extraterritorial jurisdiction, terminated as from July 22, 1917.

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ARTICLE 136.

All goods and property in Siam belonging to the German Empire or to any German State, with the exception of premises used as diplomatic or consular residences or offices, pass *ipso facto* and without compensation to the Siamese Government.

The goods, property and private rights of German nationals in Siam shall be dealt with in accordance with the provisions of Part X (Economic Clauses) of the present Treaty.

ARTICLE 137.

Germany waives all claims against the Siamese Government on behalf of herself or her nationals arising out of the seizure or condemnation of German ships, the liquidation of German property, or the internment of German nationals in Siam. This provision shall not affect the rights of the parties interested in the proceeds of any such liquidation, which shall be governed by the provisions of Part X (Economic Clauses) of the present Treaty.

SECTION IV.

Liberia.

ARTICLE 138.

Germany renounces all rights and privileges arising from the arrangements of 1911 and 1912 regarding Liberia, and particularly the right to nominate a German Receiver of Customs in Liberia.

She further renounces all claim to participate in any measures whatsoever which may be adopted for the rehabilitation of Liberia.

ARTICLE 139.

Germany recognizes that all treaties and arrangements between her and Liberia terminated as from August 4, 1917.

ARTICLE 140.

The property, rights and interests of Germans in Liberia shall be dealt with in accordance with Part X (Economic Clauses) of the present Treaty.

SECTION V.

Morocco.

ARTICLE 141.

Germany renounces all rights, titles and privileges conferred on her by the General Act of Algeiras of April 7, 1906, and by the Franco-German Agreements of February 9, 1909, and November 4, 1911. All treaties, agreements, arrangements and contracts concluded by her with the Sherifian Empire are regarded as abrogated as from August 3, 1914.

In no case can Germany take advantage of these instruments and she undertakes not to intervene in any way in negotiations relating to Morocco which may take place between France and the other Powers.

ARTICLE 142.

Germany having recognized the French Protectorate in Morocco, hereby accepts all the consequences of its establishment, and she renounces the régime of the capitulations therein.

This renunciation shall take effect as from August 3, 1914.

ARTICLE 143.

The Sherifian Government shall have complete liberty of action in regulating the status of German nationals in Morocco and the conditions in which they may establish themselves there.

German protected persons, *semsars* and "*associés agricoles*" shall be considered as having ceased, as from August 3, 1914, to enjoy the privileges attached to their status and shall be subject to the ordinary law.

ARTICLE 144.

All property and possessions in the Sherifian Empire of the German Empire and the German States pass to the Maghzen without payment.

For this purpose, the property and possessions of the German Empire and States shall be deemed to include all the property of the Crown, the Empire or the States, and the private property of the former German Emperor and other Royal personages.

All movable and immovable property in the Sherifian Empire belonging to German nationals shall be dealt with in accordance with Sections III and IV of Part X (Economic Clauses) of the present Treaty.

Mining rights which may be recognized as belonging to German nationals by the Court of Arbitration set up under the Moroccan Mining Regulations shall form the subject of a valuation, which the arbitrators shall be requested to make, and these rights shall then be treated in the same way as property in Morocco belonging to German nationals.

ARTICLE 145.

The German Government shall ensure the transfer to a person nominated by the French Government of the shares representing Germany's portion of the capital of the State Bank of Morocco. The value of these shares, as assessed by the Reparation Commission, shall be paid to the Reparation Commission for the credit of Germany on account of the sums due for reparation. The German Government shall be responsible for indemnifying its nationals so dispossessed.

This transfer will take place without prejudice to the repayment of debts which German nationals may have contracted towards the State Bank of Morocco.

ARTICLE 146.

Moroccan goods entering Germany shall enjoy the treatment accorded to French goods.

SECTION VI.

Egypt.

ARTICLE 147.

Germany declares that she recognizes the Protectorate proclaimed over Egypt by Great Britain on December 18, 1914, and that she renounces the régime of the Capitulations in Egypt.

This renunciation shall take effect as from August 4, 1914.

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ARTICLE 148.

All treaties, agreements, arrangements and contracts concluded by Germany with Egypt are regarded as abrogated as from August 4, 1914.

In no case can Germany avail herself of these instruments and she undertakes not to intervene in any way in negotiations relating to Egypt which may take place between Great Britain and the other Powers.

ARTICLE 149.

Until an Egyptian law of judicial organization establishing courts with universal jurisdiction comes into force, provision shall be made, by means of decrees issued by His Highness the Sultan, for the exercise of jurisdiction over German nationals and property by the British Consular Tribunals.

ARTICLE 150.

The Egyptian Government shall have complete liberty of action in regulating the status of German nationals and the conditions under which they may establish themselves in Egypt.

ARTICLE 151.

Germany consents to the abrogation of the decree issued by His Highness the Khedive on November 28, 1904, relating to the Commission of the Egyptian Public Debt, or to such changes as the Egyptian Government may think it desirable to make therein.

ARTICLE 152.

Germany consents, in so far as she is concerned, to the transfer to His Britannic Majesty's Government of the powers conferred on His Imperial Majesty the Sultan by the Convention signed at Constantinople on October 29, 1888, relating to the free navigation of the Suez Canal.

She renounces all participation in the Sanitary, Maritime, and Quarantine Board of Egypt and consents, in so far as she is concerned, to the transfer to the Egyptian Authorities of the powers of that Board.

ARTICLE 153.

All property and possessions in Egypt of the German Empire and the German States pass to the Egyptian Government without payment.

For this purpose, the property and possessions of the German Empire and States shall be deemed to include all the property of the Crown, the Empire or the States, and the private property of the former German Emperor and other Royal personages.

All movable and immovable property in Egypt belonging to German nationals shall be dealt with in accordance with Sections III and IV of Part X (Economic Clauses) of the present Treaty.

ARTICLE 154.

Egyptian goods entering Germany shall enjoy the treatment accorded to British goods.

SECTION VII.

Turkey and Bulgaria.

ARTICLE 155.

Germany undertakes to recognise and accept all arrangements which the Allied and Associated Powers may make with Turkey and Bulgaria with reference to any rights, interests and privileges whatever which might be claimed by Germany or her nationals in Turkey and Bulgaria and which are not dealt with in the provisions of the present Treaty.

SECTION VIII.

Shantung.

ARTICLE 156.

Germany renounces, in favour of Japan, all her rights, title and privileges—particularly those concerning the territory of Kiachow, railways, mines and submarine cables—which she acquired in virtue of the Treaty concluded by her with China on March 6, 1898, and of all other arrangements relative to the Province of Shantung.

All German rights in the Tsingtao-Tsinanfu Railway, including its branch lines, together with its subsidiary property of all kinds, stations, shops, fixed and rolling stock, mines, plant and material for the exploitation of the mines, are and remain acquired by Japan, together with all rights and privileges attaching thereto.

The German State submarine cables from Tsingtao to Shanghai and from Tsingtao to Chefoo, with all the rights, privileges and properties attaching thereto, are similarly acquired by Japan, free and clear of all charges and encumbrances.

ARTICLE 157.

The movable and immovable property owned by the German State in the territory of Kiaochow, as well as all the rights which Germany might claim in consequence of the works or improvements made or of the expenses incurred by her, directly or indirectly, in connection with this territory, are and remain acquired by Japan, free and clear of all charges and encumbrances.

ARTICLE 158.

Germany shall hand over to Japan within three months from the coming into force of the present Treaty the archives, registers, plans, title-deeds and documents of every kind, wherever they may be, relating to the administration, whether civil, military, financial, judicial or other, of the territory of Kiaochow.

Within the same period Germany shall give particulars to Japan of all treaties, arrangements or agreements relating to the rights, title or privileges referred to in the two preceding Articles.

PART V.

MILITARY, NAVAL AND AIR CLAUSES.

In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes strictly to observe the military, naval and air clauses which follow.

SECTION I.

Military Clauses.

CHAPTER I.

EFFECTIVES AND CADRES OF THE GERMAN ARMY.

ARTICLE 159.

The German military forces shall be demobilized and reduced as prescribed hereinafter.

ARTICLE 160.

(1) By a date which must not be later than March 31, 1920, the German Army must not comprise more than seven divisions of infantry and three divisions of cavalry.

After that date the total number of effectives in the Army of the States constituting Germany must not exceed one hundred thousand men, including officers and establishments of depots. The Army shall be devoted exclusively to the maintenance of order within the territory and to the control of the frontiers.

The total effective strength of officers, including the personnel of staffs, whatever their composition, must not exceed four thousand.

(2) Divisions and Army Corps headquarters staffs shall be organized in accordance with Table No. I annexed to this Section.

The number and strengths of the units of infantry, artillery, engineers, technical services and troops laid down in the aforesaid Table constitute maxima which must not be exceeded.

The following units may each have their own depot:

- An Infantry regiment;
- A Cavalry regiment;
- A regiment of Field Artillery;
- A battalion of Pioneers.

(3) The divisions must not be grouped under more than two army corps headquarters staffs.

The maintenance or formation of forces differently grouped or of other organizations for the command of troops or for preparation for war is forbidden.

The Great German General Staff and all similar organizations shall be dissolved and may not be reconstituted in any form.

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The officers, or persons in the position of officers, in the Ministries of War in the different States in Germany and in the Administrations attached to them, must not exceed three hundred in number and are included in the maximum strength of four thousand laid down in the third sub-paragraph of paragraph (1) of this Article.

ARTICLE 161.

Army administrative services consisting of civilian personnel not included in the number of effectives prescribed by the present Treaty will have such personnel reduced in each class to one-tenth of that laid down in the Budget of 1913.

ARTICLE 162.

The number of employees or officials of the German States, such as customs officers, forest guards and coastguards, shall not exceed that of the employees or officials functioning in these capacities in 1913.

The number of gendarmes and employees or officials of the local or municipal police may only be increased to an extent corresponding to the increase of population since 1913 in the districts or municipalities in which they are employed.

These employees and officials may not be assembled for military training.

ARTICLE 163.

The reduction of the strength of the German military forces as provided for in Article 160 may be effected gradually in the following manner:

Within three months from the coming into force of the present Treaty the total number of effectives must be reduced to 200,000 and the number of units must not exceed twice the number of those laid down in Article 160.

At the expiration of this period, and at the end of each subsequent period of three months, a Conference of military experts of the Principal Allied and Associated Powers will fix the reductions to be made in the ensuing three months, so that by March 31, 1920, at the latest the total number of German effectives does not exceed the maximum number of 100,000 men laid down in Article 160. In these successive reductions the same ratio between the number of officers and of men, and between the various kinds of units, shall be maintained as is laid down in that Article.

CHAPTER II.

ARMAMENT, MUNITIONS AND MATERIAL.

ARTICLE 164.

Up till the time at which Germany is admitted as a member of the League of Nations the German Army must not possess an armament greater than the amounts fixed in Table No. II annexed to this Section, with the exception of an optional increase not exceeding one-twentyfifth part for small arms and one-fiftieth part for guns, which shall be exclusively used to provide for such eventual replacements as may be necessary.

Germany agrees that after she has become a member of the League of Nations the armaments fixed in the said Table shall remain in force until they are modified by the Council of the League. Furthermore she hereby agrees strictly to observe the decisions of the Council of the League on this subject.

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ARTICLE 165.

The maximum number of guns, machine guns, trench-mortars, rifles and the amount of ammunition and equipment which Germany is allowed to maintain during the period between the coming into force of the present Treaty and the date of March 31, 1920, referred to in Article 160, shall bear the same proportion to the amount authorized in Table No. III annexed to this Section as the strength of the German Army as reduced from time to time in accordance with Article 163 bears to the strength permitted under Article 160.

ARTICLE 166.

At the date of March 31, 1920, the stock of munitions which the German Army may have at its disposal shall not exceed the amounts fixed in Table No. III annexed to this Section.

Within the same period the German Government will store these stocks at points to be notified to the Governments of the Principal Allied and Associated Powers. The German Government is forbidden to establish any other stocks, depots or reserves of munitions.

ARTICLE 167.

The number and calibre of the guns constituting at the date of the coming into force of the present Treaty the armament of the fortified works, fortresses, and any land or coast forts which Germany is allowed to retain must be notified immediately by the German Government to the Governments of the Principal Allied and Associated Powers, and will constitute maximum amounts which may not be exceeded.

Within two months from the coming into force of the present Treaty, the maximum stock of ammunition for these guns will be reduced to, and maintained at, the following uniform rates:—fifteen hundred rounds per piece for those of higher calibre. of which is 10·5 cm. and under: five hundred rounds per piece for those of higher calibre.

ARTICLE 168.

The manufacture of arms, munitions, or any war material, shall only be carried out in factories or works the location of which shall be communicated to and approved by the Governments of the Principal Allied and Associated Powers, and the number of which they retain the right to restrict.

Within three months from the coming into force of the present Treaty, all other establishments for the manufacture, preparation, storage or design of arms, munitions, or any war material whatever shall be closed down. The same applies to all arsenals except those used as depots for the authorized stocks of munitions. Within the same period the personnel of these arsenals will be dismissed.

ARTICLE 169.

Within two months from the coming into force of the present Treaty German arms, munitions and war material, including anti-aircraft material, existing in Germany in excess of the quantities allowed, must be surrendered to the Governments of the Principal Allied and Associated Powers to be destroyed or rendered useless. This will also apply to any special plant intended for the manufacture of military material, except such as may be recognized as necessary for equipping the authorized strength of the German army.

The surrender in question will be effected at such points in German territory as may be selected by the said Governments.

Within the same period arms, munitions and war material, including anti-aircraft material, of origin other than German, in whatever state they may be, will be delivered to the said Governments, who will decide as to their disposal.

Arms and munitions which on account of the successive reductions in the strength of the German army become in excess of the amounts authorized by Tables II and III annexed to this Section must be handed over in the manner laid down above within such periods as may be decided by the Conferences referred to in Article 163.

ARTICLE 170.

Importation into Germany of arms, munitions and war material of every kind shall be strictly prohibited.

The same applies to the manufacture for, and export to, foreign countries of arms, munitions and war material of every kind.

ARTICLE 171.

The use of asphyxiating, poisonous or other gases and all analogous liquids, materials or devices being prohibited, their manufacture and importation are strictly forbidden in Germany.

The same applies to materials specially intended for the manufacture, storage and use of the said products or devices.

The manufacture and the importation into Germany of armoured cars, tanks and all similar constructions suitable for use in war are also prohibited.

ARTICLE 172.

Within a period of three months from the coming into force of the present Treaty, the German Government will disclose to the Governments of the Principal Allied and Associated Powers the nature and mode of manufacture of all explosives, toxic substances or other like chemical preparations used by them in the war or prepared by them for the purpose of being so used.

CHAPTER III.

RECRUITING AND MILITARY TRAINING.

ARTICLE 173.

Universal compulsory military service shall be abolished in Germany.

The German army may only be constituted and recruited by means of voluntary enlistment.

ARTICLE 174.

The period of enlistment for non-commissioned officers and privates must be twelve consecutive years.

The number of men discharged for any reason before the expiration of their term of enlistment must not exceed in any year five per cent of the total effectives fixed by the second sub-paragraph of paragraph (1) of Article 160 of the present Treaty.

ARTICLE 175.

The officers who are retained in the Army must undertake the obligation to serve in it up to the age of forty-five years at least.

Officers newly appointed must undertake to serve on the active list for twenty-five consecutive years at least.

Officers who have previously belonged to any formations whatever of the Army, and who are not retained in the units allowed to be maintained, must not take part in any military exercise whether theoretical or practical, and will not be under any military obligations whatever.

The number of officers discharged for any reason before the expiration of their term of service must not exceed in any year five per cent of the total effectives of officers provided for in the third sub-paragraph of paragraph (1) of Article 160 of the present Treaty.

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ARTICLE 176.

On the expiration of two months from the coming into force of the present Treaty there must only exist in Germany the number of military schools which is absolutely indispensable for the recruitment of the officers of the units allowed. These schools will be exclusively intended for the recruitment of officers of each arm, in the proportion of one school per arm.

The number of students admitted to attend the courses of the said school will be strictly in proportion to the vacancies to be filled in the cadres of officers. The students and the cadres will be reckoned in the effectives fixed by the second and third subparagraphs of paragraph (1) of Article 160 of the present Treaty.

Consequently, and during the period fixed above, all military academies or similar institutions in Germany, as well as the different military schools for officers, student officers (*Aspiranten*), cadets, non-commissioned officers or student non-commissioned officers (*Aspiranten*), other than the schools above provided for, will be abolished.

ARTICLE 177.

Educational establishments, the universities, societies of discharged soldiers, shooting or touring clubs and, generally speaking, associations of every description, whatever be the age of their members, must not occupy themselves with any military matters.

In particular they will be forbidden to instruct or exercise their members, or to allow them to be instructed or exercised, in the profession or use of arms.

These societies, associations, educational establishments and universities must have no connection with the Ministries of War or any other military authority.

ARTICLE 178.

All measures of mobilization or appertaining to mobilization are forbidden.

In no case must formations, administrative services or General Staffs include supplementary cadres.

ARTICLE 179.

Germany agrees, from the coming into force of the present Treaty, not to accredit nor to send to any foreign country any military, naval or air mission, nor to allow any such mission to leave her territory, and Germany further agrees to take appropriate measures to prevent German nationals from leaving her territory to become enrolled in the Army, Navy or Air service of any foreign Power, or to be attached to such Army, Navy or Air service for the purpose of assisting in the military, naval or air training thereof, or otherwise for the purpose of giving military, naval or air instruction in any foreign country.

The Allied and Associated Powers agree, so far as they are concerned, from the coming into force of the present Treaty, not to enrol in nor to attach to their armies or naval or air forces any German national for the purpose of assisting in the military training of such armies or naval or air forces, or otherwise to employ any such German national as military, naval or aeronautic instructor.

The present provision does not, however, affect the right of France to recruit for the Foreign Legion in accordance with French military laws and regulations.

CHAPTER IV.

FORTIFICATIONS.

ARTICLE 180.

All fortified works, fortresses and field works situated in German territory to the west of a line drawn fifty kilometres to the east of the Rhine shall be disarmed and dismantled.

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Within a period of two months from the coming into force of the present Treaty such of the above fortified works, fortresses and field works as are situated in territory not occupied by Allied and Associated troops shall be disarmed, and within a further period of four months they shall be dismantled. Those which are situated in territory occupied by Allied and Associated troops shall be disarmed and dismantled within such periods as may be fixed by the Allied High Command.

The construction of any new fortification, whatever its nature and importance, is forbidden in the zone referred to in the first paragraph above.

The system of fortified works of the southern and eastern frontiers of Germany shall be maintained in its existing state.

TABLE No. I.

STATE AND ESTABLISHMENT OF ARMY CORPS HEADQUARTERS STAFFS AND OF INFANTRY AND CAVALRY DIVISIONS.

These tabular statements do not form a fixed establishment to be imposed on Germany, but the figures contained in them (number of units and strengths) represent maximum figures, which should not in any case be exceeded.

I.—ARMY CORPS HEADQUARTERS STAFFS.

Unit.	Maximum No. authorized.	Maximum strengths of each unit.	
		Officers.	N.C.O.'s and men.
Army Corps Headquarters Staff.....	2	30	150
Total for Headquarters Staff.....	.....	60	300

II.—ESTABLISHMENT OF AN INFANTRY DIVISION.

Unit.	Maximum No. of such Units in a Single Division.	Maximum Strengths of each Unit.	
		Officers.	N.C.O.'s and men.
Headquarters of an infantry division.....	1	25	70
Headquarters of divisional infantry.....	1	4	30
Headquarters of divisional artillery.....	1	4	30
Regiment of infantry.....	3	70	2,300
(Each regiment comprises 3 battalions of infantry. Each battalion comprises 3 companies of infantry and 1 machine-gun company.)			
Trench mortar company.....	3	6	150
Divisional squadron.....	1	6	150
Field artillery regiment.....	1	85	1,300
(Each regiment comprises 3 groups of artillery. Each group comprises 3 batteries.)			
Pioneer battalion.....	1	12	400
(This battalion comprises 2 companies of pioneers, 1 pontoon detachment, 1 searchlight section.)			
Signal detachment.....	1	12	300
(This detachment comprises 1 telephone detachment, 1 listening section, 1 carrier pigeon section.)			
Divisional medical service.....	1	20	400
Parks and convoys.....	14	800
Total for infantry division.....	410	10,830

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III.—ESTABLISHMENT OF A CAVALRY DIVISION.

Unit.	Maximum No. of such Units in a Single Division.	Maximum Strengths of each unit.	
		Officers.	N.C.O.'s and men.
Headquarters of a cavalry division	1	15	50
Cavalry regiment..... (Each regiment comprises 4 squadrons.)	6	40	800
Horse artillery group (3 batteries).....	1	20	400
Total for cavalry division.....		275	5,250

TABLE No. II.

TABULAR STATEMENT OF ARMAMENT ESTABLISHMENT FOR A MAXIMUM OF SEVEN INFANTRY DIVISIONS, THREE CAVALRY DIVISIONS, AND TWO ARMY CORPS HEADQUARTERS STAFFS.

Material.	Infantry Division. (1)	For 7 Infantry Divisions. (2)	Cavalry Division. (3)	For 3 Cavalry Divisions. (4)	2 Army Corps Headquarters Staffs. (5)	Total of Columns 2, 4, and 5 (6)
Rifles.....	12,000	84,000			This establishment must be drawn from the increased armaments of the divisional infantry.	84,000
Carbines.....			6,000	18,000		18,000
Heavy machine guns.....	108	756	12	36		792
Light machine guns.....	162	1,134				1,134
Medium trench mortars..	9	63				63
Light trench mortars....	27	189				189
7.7 cm. guns.....	24	168	12	36		204
10.5 cm. howitzers	12	84				84

TABLE No. III.

MAXIMUM STOCKS AUTHORIZED.

Material.	Maximum Number of Arms authorized.	Establishment Per unit.	Maximum Totals.
		Rounds.	Rounds.
Rifles.....	84,000	{	{
Carbines.....	18,000		
Heavy machine guns.....	792		
Light machine guns.....	1,134		
Medium trench mortars..	63	400	25,200
Light trench mortars....	189	800	151,200
Field artillery:—			
7.7 cm. guns.....	204	1,000	204,000
10.5 cm. howitzers.....	84	800	67,200

SECTION II.

Naval Clauses.

ARTICLE 181.

After the expiration of a period of two months from the coming into force of the present Treaty the German naval forces in commission must not exceed:

6 battleships of the *Deutschland* or *Lothringen* type.

6 light cruisers,

12 destroyers,

12 torpedo boats,

or an equal number of ships constructed to replace them as provided in Article 190.

No submarines are to be included.

All other warships, except where there is provision to the contrary in the present Treaty, must be placed in reserve or devoted to commercial purposes.

ARTICLE 182.

Until the completion of the minesweeping prescribed by Article 193 Germany will keep in commission such number of minesweeping vessels as may be fixed by the Governments of the Principal Allied and Associated Powers.

ARTICLE 183.

After the expiration of a period of two months from the coming into force of the present Treaty the total personnel of the Germany Navy, including the manning of the fleet, coast defences, signal stations, administration and other land services, must not exceed fifteen thousand, including officers and men of all grades and corps.

The total strength of officers and warrant officers must not exceed fifteen hundred.

Within two months from the coming into force of the present Treaty the personnel in excess of the above strength shall be demobilized.

No naval or military corps or reserve force in connection with the Navy may be organized in Germany without being included in the above strength.

ARTICLE 184.

From the date of the coming into force of the present Treaty all the German surface warships which are not in German ports cease to belong to Germany, who renounces all rights over them.

Vessels which, in compliance with the Armistice of November 11, 1918, are now interned in the ports of the Allied and Associated Powers are declared to be finally surrendered.

Vessels which are now interned in neutral ports will be there surrendered to the Governments of the Principal Allied and Associated Powers. The German Government must address a notification to that effect to the neutral Powers on the coming into force of the present Treaty.

ARTICLE 185.

Within a period of two months from the coming into force of the present Treaty the German surface warships enumerated below will be surrendered to the Governments of the Principal Allied and Associated Powers in such Allied ports as the said Powers may direct.

These warships will have been disarmed as provided in Article XXIII of the Armistice of November 11, 1918. Nevertheless they must have all their guns on board.

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BATTLESHIPS.

<i>Oldenburg.</i>	<i>Posen.</i>
<i>Thuringen.</i>	<i>Westfalen.</i>
<i>Ostfriesland.</i>	<i>Rheinland.</i>
<i>Helgoland.</i>	<i>Nassau.</i>

LIGHT CRUISERS.

<i>Stettin.</i>	<i>Stralsund.</i>
<i>Danzig.</i>	<i>Augsburg.</i>
<i>München.</i>	<i>Kolberg.</i>
<i>Lübeck.</i>	<i>Stuttgart.</i>

and, in addition, forty-two modern destroyers and fifty modern torpedo boats, as chosen by the Governments of the Principal Allied and Associated Powers.

ARTICLE 186.

On the coming into force of the present Treaty the German Government must undertake, under the supervision of the Governments of the Principal Allied and Associated Powers, the breaking-up of all the German surface warships now under construction.

ARTICLE 187.

The German auxiliary cruisers and fleet auxiliaries enumerated below will be disarmed and treated as merchant ships.

INTERNED IN NEUTRAL COUNTRIES:

<i>Berlin.</i>	<i>Seydlitz.</i>
<i>Santa Fé.</i>	<i>Yorck.</i>

IN GERMANY:

<i>Ammon.</i>	<i>Fürst Bülow.</i>
<i>Answald.</i>	<i>Gertrud.</i>
<i>Bosnia.</i>	<i>Kigoma.</i>
<i>Cordoba.</i>	<i>Rugia.</i>
<i>Cassel.</i>	<i>Santa Elena.</i>
<i>Dania.</i>	<i>Schleswig.</i>
<i>Rio Negro.</i>	<i>Möwe.</i>
<i>Rio Pardo.</i>	<i>Sierra Ventana.</i>
<i>Santa Cruz.</i>	<i>Chemnitz.</i>
<i>Schwaben.</i>	<i>Emil Georg von Strauss.</i>
<i>Solingen.</i>	<i>Hapsburg.</i>
<i>Steigerwald.</i>	<i>Meteor.</i>
<i>Franken.</i>	<i>Waltraute.</i>
<i>Gundomar.</i>	<i>Scharnhorst.</i>

ARTICLE 188.

On the expiration of one month from the coming into force of the present Treaty all German submarines, submarine salvage vessels and docks for submarines, including the tubular dock, must have been handed over to the Governments of the Principal Allied and Associated Powers.

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Such of these submarines, vessels and docks as are considered by the said Governments to be fitted to proceed under their own power or to be towed shall be taken by the German Government into such Allied ports as have been indicated.

The remainder, and also those in course of construction, shall be broken up entirely by the German Government under the supervision of the said Governments. The breaking-up must be completed within three months at the most after the coming into force of the present Treaty.

ARTICLE 189.

Articles, machinery and material arising from the breaking-up of German warships of all kinds, whether surface vessels or submarines, may not be used except for purely industrial or commercial purposes.

They may not be sold or disposed of to foreign countries.

ARTICLE 190.

Germany is forbidden to construct or acquire any warships other than those intended to replace the units in commission provided for in Article 181 of the present Treaty.

The warships intended for replacement purposes as above shall not exceed the following displacement:

Armoured ships..	10,000 tons,
Light cruisers..	6,000 tons,
Destroyers..	800 tons,
Torpedo boats..	200 tons,

Except where a ship has been lost, units of the different classes shall only be replaced at the end of a period of twenty years in the case of battleships and cruisers, and fifteen years in the case of destroyers and torpedo boats, counting from the launching of the ship.

ARTICLE 191.

The construction or acquisition of any submarine, even for commercial purposes, shall be forbidden in Germany.

ARTICLE 192.

The warships in commission of the German fleet must have on board or in reserve only the allowance of arms, munitions and war material fixed by the Principal Allied and Associated Powers.

Within a month from the fixing of the quantities as above, arms, munitions and war material of all kinds, including mines and torpedoes, now in the hands of the German Government and in excess of the said quantities, shall be surrendered to the Governments of the said Powers at places to be indicated by them. Such arms, munitions and war material will be destroyed or rendered useless.

All other stocks, depots or reserves of arms, munitions or naval war material of all kinds are forbidden.

The manufacture of these articles in German territory for, and their export to, foreign countries shall be forbidden.

ARTICLE 193.

On the coming into force of the present Treaty Germany will forthwith sweep up the mines in the following areas in the North Sea to the eastward of longitude 4° 00' E. of Greenwich:

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(1) Between parallels of latitude $53^{\circ} 00' N.$ and $59^{\circ} 00' N.$; (2) To the northward of latitude $60^{\circ} 30' N.$

Germany must keep these areas free from mines.

Germany must also sweep and keep free from mines such areas in the Baltic as may ultimately be notified by the Governments of the Principal Allied and Associated Powers.

ARTICLE 194.

The personnel of the German Navy shall be recruited entirely by voluntary engagements entered into for a minimum period of twenty-five consecutive years for officers and warrant officers; twelve consecutive years for petty officers and men.

The number engaged to replace those discharged for any reason before the expiration of their term of service must not exceed five per cent per annum of the totals laid down in this Section (Article 183).

The personnel discharged from the Navy must not receive any kind of naval or military training or undertake any further service in the Navy or Army.

Officers belonging to the German Navy and not demobilised must engage to serve till the age of forty-five, unless discharged for sufficient reasons.

No officer or man of the German mercantile marine shall receive any training in the Navy.

ARTICLE 195.

In order to ensure free passage into the Baltic to all nations, Germany shall not erect any fortifications in the area comprised between latitudes $55^{\circ} 27' N.$ and $54^{\circ} 00' N.$ and longitudes $9^{\circ} 00' E.$ and $16^{\circ} 00' E.$ of the meridian of Greenwich, nor instal any guns commanding the maritime routes between the North Sea and the Baltic. The fortifications now existing in this area shall be demolished and the guns removed under the supervision of the Allied Governments and in periods to be fixed by them.

The German Government shall place at the disposal of the Governments of the Principal Allied and Associated Powers all hydrographical information now in its possession concerning the channels and adjoining waters between the Baltic and the North Sea.

ARTICLE 196.

All fortified works and fortifications, other than those mentioned in Section XIII (Heligoland) of Part III (Political Clauses for Europe) and in Article 195, now established within fifty kilometres of the German Coast or on German islands off that coast shall be considered as of a defensive nature and may remain in their existing condition.

No new fortifications shall be constructed within these limits. The armament of these defences shall not exceed, as regards the number and calibre of guns, those in position at the date of the coming into force of the present Treaty. The German Government shall communicate forthwith particulars thereof to all the European Governments.

On the expiration of a period of two months from the coming into force of the present Treaty the stocks of ammunition for these guns shall be reduced to and maintained at a maximum figure of fifteen hundred rounds per piece for calibres of 4.1-inch and under, and five hundred rounds per piece for higher calibres.

ARTICLE 197.

During the three months following the coming into force of the present Treaty the German high-power wireless telegraphy stations at Nauen, Hanover and Berlin shall not be used for the transmission of messages concerning naval, military or political questions of interest to Germany or any State which has been allied to

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Germany in the war, without the assent of the Governments of the Principal Allied and Associated Powers. These stations may be used for commercial purposes, but only under the supervision of the said Governments, who will decide the wave-length to be used.

During the same period Germany shall not build any more high-power wireless telegraphy stations in her own territory or that of Austria, Hungary, Bulgaria or Turkey.

SECTION III.

Air Clauses.

ARTICLE 198.

The armed forces of Germany must not include any military or naval air forces.

Germany may, during a period not extending beyond October 1, 1919, maintain a maximum number of one hundred seaplanes or flying boats, which shall be exclusively employed in searching for submarine mines, shall be furnished with the necessary equipment for this purpose, and shall in no case carry arms, munitions or bombs of any nature whatever.

In addition to the engines installed in the seaplanes or flying boats above mentioned, one spare engine may be provided for each engine of each of these craft.

No dirigible shall be kept.

ARTICLE 199.

Within two months from the coming into force of the present Treaty the personnel of air forces on the rolls of the German land and sea forces shall be demobilised. Up to October 1, 1919, however, Germany may keep and maintain a total number of one thousand men, including officers, for the whole of the cadres and personnel, flying and non-flying, of all formations and establishments.

ARTICLE 200.

Until the complete evacuation of German territory by the Allied and Associated troops, the aircraft of the Allied and Associated Powers shall enjoy in Germany freedom of passage through the air, freedom of transit and of landing.

ARTICLE 201.

During the six months following the coming into force of the present Treaty, the manufacture and importation of aircraft, parts of aircraft, engines for aircraft, and parts of engines for aircraft, shall be forbidden in all German territory.

ARTICLE 202.

On the coming into force of the present Treaty, all military and naval aeronautical material, except the machines mentioned in the second and third paragraphs of Article 198, must be delivered to the Governments of the Principal Allied and Associated Powers.

Delivery must be effected at such places as the said Governments may select and must be completed within three months.

In particular, this material will include all items under the following heads which are or have been in use or were designed for warlike purposes:

Complete aeroplanes and seaplanes, as well as those being manufactured, repaired or assembled.

Dirigibles able to take the air, being manufactured, repaired or assembled.

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Plant for the manufacture of hydrogen.

Dirigible sheds and shelters of every kind for aircraft.

Pending their delivery, dirigibles will, at the expense of Germany, be maintained inflated with hydrogen; the plant for the manufacture of hydrogen, as well as the sheds for dirigibles, may, at the discretion of the said Powers, be left to Germany until the time when the dirigibles are handed over.

Engines for aircraft.

Nacelles and fuselages.

Armament (guns, machine guns, light machine guns, bomb-dropping apparatus, torpedo-dropping apparatus, synchronization apparatus, aiming apparatus).

Munitions (cartridges, shells, bombs loaded or unloaded, stocks of explosives or of material for their manufacture).

Instruments for use on aircraft.

Wireless apparatus and photographic or cinematograph apparatus for use on aircraft.

Component parts of any of the items under the preceding heads.

The material referred to above shall not be removed without special permission from the said Governments.

SECTION IV.

Inter-Allied Commissions of Control.

ARTICLE 203.

All the military, naval and air clauses contained in the present Treaty, for the execution of which a time limit is prescribed, shall be executed by Germany under the control of Inter-Allied Commissions specially appointed for this purpose by the Principal Allied and Associated Powers.

ARTICLE 204.

The Inter-allied Commissions of Control will be specially charged with the duty of seeing to the complete execution of the delivery, destruction, demolition and rendering things useless to be carried out at the expense of the German Government in accordance with the present Treaty.

They will communicate to the German authorities the decisions which the Principal Allied and Associated Powers have reserved the right to take, or which the execution of the military, naval and air clauses may necessitate.

ARTICLE 205.

The Inter-Allied Commissions of Control may establish their organizations at the seat of the central German Government.

They shall be entitled as often as they think desirable to proceed to any point whatever in German territory, or to send sub-commissions, or to authorize one or more of their members to go, to any such point.

ARTICLE 206.

The German Government must give all necessary facilities for the accomplishment of their missions to the Inter-Allied Commissions of Control and to their members.

It shall attach a qualified representative to each Inter-Allied Commission of Control for the purpose of receiving the communications which the Commission may

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have to address to the German Government and of supplying or procuring for the Commission all information or documents which may be required.

The German Government must in all cases furnish at its own cost all labour and material required to effect the deliveries and the works of destruction, dismantling, demolition, and of rendering things useless, provided for in the present Treaty.

ARTICLE 207.

The upkeep and cost of the Commissions of Control and the expenses involved by their work shall be borne by Germany.

ARTICLE 208.

The Military Inter-Allied Commission of Control will represent the Governments of the Principal Allied and Associated Powers in dealing with the German Government in all matters concerning the execution of the military clauses.

In particular it will be its duty to receive from the German Government the notifications relating to the location of the stocks and depots of munitions, the armament of the fortified works, fortresses and forts which Germany is allowed to retain, and the location of the works or factories for the production of arms, munitions and war material and their operations.

It will take delivery of the arms, munitions and war material, will select the points where such delivery is to be effected, and will supervise the works of destruction, demolition, and of rendering things useless, which are to be carried out in accordance with the present Treaty.

The German Government must furnish to the Military Inter-Allied Commission of Control all such information and documents as the latter may deem necessary to ensure the complete execution of the military clauses, and in particular all legislative and administrative documents and regulations.

ARTICLE 209.

The Naval Inter-Allied Commission of Control will represent the Governments of the Principal Allied and Associated Powers in dealing with the German Government in all matters concerning the execution of the naval clauses.

In particular it will be its duty to proceed to the building yards and to supervise the breaking-up of the ships which are under construction there, to take delivery of all surface ships or submarines, salvage ships, docks and the tubular dock, and to supervise the destruction and breaking-up provided for.

The German Government must furnish to the Naval Inter-Allied Commission of Control all such information and documents as the Commission may deem necessary to ensure the complete execution of the naval clauses, in particular the designs of the warships, the composition of their armaments, the details and models of the guns, munitions, torpedoes, mines, explosives, wireless telegraphic apparatus and, in general, everything relating to naval war material, as well as all legislative or administrative documents or regulations.

ARTICLE 210.

The Aeronautical Inter-Allied Commission of Control will represent the Governments of the Principal Allied and Associated Powers in dealing with the German Government in all matters concerning the execution of the air clauses.

In particular it will be its duty to make an inventory of the aeronautical material existing in German territory, to inspect aeroplane, balloon and motor manufac-

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ories, and factories producing arms, munitions and explosives capable of being used by aircraft, to visit all aerodromes, sheds, landing grounds, parks and depots, to authorize, where necessary, a removal of material and to take delivery of such material.

The German Government must furnish to the Aeronautical Inter-Allied Commission of Control all such information and legislative, administrative or other documents which the Commission may consider necessary to ensure the complete execution of the air clauses, and in particular a list of the personnel belonging to all the German Air Services, and of the existing material, as well as of that in process of manufacture or on order, and a list of all establishments working for aviation, of their positions, and of all sheds and landing grounds.

SECTION V.

General Articles.

ARTICLE 211.

After the expiration of a period of three months from the coming into force of the present Treaty, the German laws must have been modified and shall be maintained by the German Government in conformity with this Part of the present Treaty.

Within the same period all the administrative or other measures relating to the execution of this Part of the Treaty must have been taken.

ARTICLE 212.

The following portions of the Armistice of November 11, 1918: Article VI, the first two and the sixth and seventh paragraphs of Article VII; Article IX; Clauses I, II and V of Annex No. 2, and the protocol, dated April 4, 1919, Supplementing the Armistice of November 11, 1918, remain in force so far as they are not inconsistent with the above stipulations.

ARTICLE 213.

So long as the present Treaty remains in force, Germany undertakes to give every facility for any investigation which the Council of the League of Nations, acting if need be by a majority vote, may consider necessary.

PART VI

PRISONERS OF WAR AND GRAVES.

SECTION I.

Prisoners of War.

ARTICLE 214.

The repatriation of prisoners of war and interned civilians shall take place as soon as possible after the coming into force of the present Treaty and shall be carried out with the greatest rapidity.

ARTICLE 215.

The repatriation of German prisoners of war and interned civilians shall, in accordance with Article 214, be carried out by a Commission composed of representatives of the Allied and Associated Powers on the one part and of the German Government on the other part.

For each of the Allied and Associated Powers a Sub-Commission, composed exclusively of Representatives of the interested Power and of Delegates of the German Government, shall regulate the details of carrying into effect the repatriation of the prisoners of war.

ARTICLE 216.

From the time of their delivery into the hands of the German authorities the prisoners of war and interned civilians are to be returned without delay to their homes by the said authorities.

Those amongst them who before the war were habitually resident in territory occupied by the troops of the Allied and Associated Powers are likewise to be sent to their homes, subject to the consent and control of the military authorities of the Allied and Associated armies of occupation.

ARTICLE 217.

The whole cost of repatriation from the moment of starting shall be borne by the German Government who shall also provide the land and sea transport and staff considered necessary by the Commission referred to in Article 215.

ARTICLE 218.

Prisoners of war and interned civilians awaiting disposal or undergoing sentence for offences against discipline shall be repatriated irrespective of the completion of their sentence or of the proceedings pending against them.

This stipulation shall not apply to prisoners of war and interned civilians punished for offences committed subsequent to May 1, 1919.

During the period pending their repatriation all prisoners of war and interned civilians shall remain subject to the existing regulations, more especially as regards work and discipline.

ARTICLE 219.

Prisoners of war and interned civilians who are awaiting disposal or undergoing sentence for offences other than those against discipline may be detained.

ARTICLE 220.

The German Government undertakes to admit to its territory without distinction all persons liable to repatriation.

Prisoners of war or other German nationals who do not desire to be repatriated may be excluded from repatriation; but the Allied and Associated Governments reserve to themselves the right either to repatriate them or to take them to a neutral country or to allow them to reside in their own territories.

The German Government undertakes not to institute any exceptional proceedings against these persons or their families nor to take any repressive or vexatious measures of any kind whatsoever against them on this account.

ARTICLE 221.

The Allied and Associated Governments reserve the right to make the repatriation of German prisoners of war or German nationals in their hands conditional upon the immediate notification and release by the German Government of any prisoners of war who are nationals of the Allied and Associated Powers and may still be in Germany.

ARTICLE 222.

Germany undertakes:—

(1) To give every facility to Commissioners to inquire into the cases of those who cannot be traced; to furnish such Commissions with all necessary means of transport; to allow them access to camps, prisons, hospitals and all other places; and to place at their disposal all documents, whether public or private, which would facilitate their inquiries;

(2) To impose penalties upon any German officials or private persons who have concealed the presence of any nationals of any of the Allied and Associated Powers or have neglected to reveal the presence of any such after it had come to their knowledge.

ARTICLE 223.

Germany undertakes to restore without delay from the date of the coming into force of the present Treaty all articles, money, securities and documents which have belonged to nationals of the Allied and Associated Powers and which have been retained by the German authorities.

ARTICLE 224.

The High Contracting Parties waive reciprocally all repayment of sums due for the maintenance of prisoners of war in their respective territories.

SECTION II.

Graves.

ARTICLE 225.

The Allied and Associated Governments and the German Government will cause to be respected and maintained the graves of the soldiers and sailors buried in their respective territories.

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They agree to recognize any Commission appointed by an Allied or Associated Government for the purpose of identifying, registering, caring for or erecting suitable memorials over the said graves and to facilitate the discharge of its duties.

Furthermore they agree to afford, so far as the provisions of their laws and the requirements of public health allow, every facility for giving effect to requests that the bodies of their soldiers and sailors may be transferred to their own country.

ARTICLE 226.

The graves of prisoners of war and interned civilians who are nationals of the different belligerent States and have died in captivity shall be properly maintained in accordance with Article 225 of the present Treaty.

The Allied and Associated Governments on the one part and the German Government on the other part reciprocally undertake also to furnish to each other:

(1) A complete list of those who have died together with all information useful for identification;

(2) All information as to the number and position of the graves of all those who have been buried without identification.

PART VII

PENALTIES.

ARTICLE 227.

The Allied and Associated Powers publicly arraign William II of Hohenzollern, formerly German Emperor, for a supreme offence against international morality and the sanctity of treaties.

A special tribunal will be constituted to try the accused, thereby assuring him the guarantees essential to the right of defence. It will be composed of five judges, one appointed by each of the following Powers: namely, the United States of America, Great Britain, France, Italy and Japan.

In its decision the tribunal will be guided by the highest motives of international policy, with a view to vindicating the solemn obligations of international undertakings and the validity of international morality. It will be its duty to fix the punishment which it considers should be imposed.

The Allied and Associated Powers will address a request to the Government of the Netherlands for the surrender to them of the ex-Emperor in order that he may be put on trial.

ARTICLE 228.

The German Government recognizes the right of the Allied and Associated Powers to bring before military tribunals persons accused of having committed acts in violation of the laws and customs of war. Such persons shall, if found guilty, be sentenced to punishments laid down by law. This provision will apply notwithstanding any proceedings or prosecution before a tribunal in Germany or in the territory of her allies.

The German Government shall hand over to the Allied and Associated Powers, or to such one of them as shall so request, all persons accused of having committed an act in violation of the laws and customs of war, who are specified either by name or by the rank, office or employment which they held under the German authorities.

ARTICLE 229.

Persons guilty of criminal acts against the nationals of one of the Allied and Associated Powers will be brought before the military tribunals of that Power.

Persons guilty of criminal acts against the nationals of more than one of the Allied and Associated Powers will be brought before military tribunals composed of members of the military tribunals of the Powers concerned.

In every case the accused will be entitled to name his own counsel.

ARTICLE 230.

The German Government undertakes to furnish all documents and information of every kind, the production of which may be considered necessary to ensure the full knowledge of the incriminating acts, the discovery of offenders and the just appreciation of responsibility.

PART VIII

REPARATION.

SECTION I.

General Provisions.

ARTICLE 231.

The Allied and Associated Governments affirm and Germany accepts the responsibility of Germany and her allies for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies.

ARTICLE 232.

The Allied and Associated Governments recognize that the resources of Germany are not adequate, after taking into account permanent diminutions of such resources which will result from other provisions of the present Treaty, to make complete reparation for all such loss and damage.

The Allied and Associated Governments, however, require, and Germany undertakes, that she will make compensation for all damage done to the civilian population of the Allied and Associated Powers and to their property during the period of the belligerency of each as an Allied or Associated Power against Germany by such aggression by land, by sea and from the air, and in general all damage as defined in Annex I hereto.

In accordance with Germany's pledges, already given, as to complete restoration for Belgium, Germany undertakes, in addition to the compensation for damage elsewhere in this Part provided for, as a consequence of the violation of the Treaty of 1839, to make reimbursement of all sums which Belgium has borrowed from the Allied and Associated Governments up to November 11, 1918, together with interest at the rate of five per cent (5%) per annum on such sums. This amount shall be determined by the Reparation Commission, and the German Government undertakes thereupon forthwith to make a special issue of bearer bonds to an equivalent amount payable in marks gold, on May 1, 1926., or, at the option of the German Government, on the 1st of May in any year up to 1926. Subject to the foregoing, the form of such bonds shall be determined by the Reparation Commission. Such bonds shall be handed over to the Reparation Commission, which has authority to take and acknowledge receipt thereof on behalf of Belgium.

ARTICLE 233.

The amount of the above damage for which compensation is to be made by Germany shall be determined by an Inter-Allied Commission, to be called the *Reparation Commission* and constituted in the form and with the powers set forth hereunder and in Annexes II to VII inclusive hereto.

This Commission shall consider the claims and give to the German Government a just opportunity to be heard.

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The finding of the Commission as to the amount of damage defined as above shall be concluded and notified to the German Government on or before May 1, 1921, as representing the extent of that Government's obligations.

The Commission shall concurrently draw up a schedule of payments prescribing the time and manner for securing and discharging the entire obligation within a period of thirty years from May 1, 1921. If, however, within the period mentioned Germany fails to discharge her obligations, any balance remaining unpaid may within the discretion of the Commission, be postponed for settlement in subsequent years, or may be handled otherwise in such manner as the Allied and Associated Governments, acting in accordance with the procedure laid down in this Part of the present Treaty, shall determine.

ARTICLE 234.

The Reparation Commission shall after May 1, 1921, from time to time, consider the resources and capacity of Germany, and, after giving her representatives a just opportunity to be heard, shall have discretion to extend the date, and to modify the form of payments, such as are to be provided for in accordance with Article 233; but not to cancel any part, except with the specific authority of the several Governments represented upon the Commission.

ARTICLE 235.

In order to enable the Allied and Associated Powers to proceed at once to the restoration of their industrial and economic life, pending the full determination of their claims, Germany shall pay in such instalments and in such manner (whether in gold, commodities, ships, securities or otherwise) as the Reparation Commission may fix, during 1919, 1920 and the first four months of 1921, the equivalent of 20,000,000,000 gold marks. Out of this sum the expenses of the armies of occupation subsequent to the Armistice of November 11, 1918, shall first be met, and such supplies of food and raw materials as may be judged by the Governments of the Principal Allied and Associated Powers to be essential to enable Germany to meet her obligations for reparation may also, with the approval of the said Governments, be paid for out of the above sum. The balance shall be reckoned towards liquidation of the amounts due for reparation. Germany shall further deposit bonds as prescribed in paragraph 12 (c) of Annex II hereto.

ARTICLE 236.

Germany further agrees to the direct application of her economic resources to reparation as specified in Annexes III, IV, V, and VI, relating respectively to merchant shipping, to physical restoration, to coal and derivatives of coal, and to dyestuffs and other chemical products; provided always that the value of the property transferred and any services rendered by her under these Annexes, assessed in the manner therein prescribed, shall be credited to her towards liquidation of her obligations under the above Articles.

ARTICLE 237.

The successive instalments, including the above sum, paid over by Germany in satisfaction of the above claims will be divided by the Allied and Associated Governments in proportions which have been determined upon by them in advance on a basis of general equity and of the rights of each.

For the purposes of this division the value of property transferred and services rendered under Article 243, and under Annexes III, IV, V, VI, and VII, shall be reckoned in the same manner as cash payments effected in that year.

ARTICLE 238.

In addition to the payments above Germany shall effect, in accordance with the procedure laid down by the Reparation Commission, restitution in cash of cash taken away, seized or sequestered, and also restitution of animals, objects of every nature and securities taken away, seized or sequestered, in the cases in which it proves possible to identify them in territory belonging to Germany or her allies.

Until this procedure is laid down, restitution will continue in accordance with the provisions of the Armistice of November 11, 1918, and its renewals and the Protocols thereto.

ARTICLE 239.

The German Government undertakes to make forthwith the restitution contemplated by Article 238 and to make the payments and deliveries contemplated by Articles 233, 234, 235 and 236.

ARTICLE 240.

The German Government recognizes the Commission provided for by Article 233 as the same may be constituted by the Allied and Associated Governments in accordance with Annex II, and agrees irrevocably to the possession and exercise by such Commission of the power and authority given to it under the present Treaty.

The German Government will supply to the Commission all the information which the Commission may require relative to the financial situation and operations and to the property, productive capacity, and stocks and current production of raw materials and manufactured articles of Germany and her nationals, and further any information relative to military operations which in the judgment of the Commission may be necessary for the assessment of Germany's liability for reparation as defined in Annex I.

The German Government will accord to the members of the Commission and its authorized agents the same rights and immunities as are enjoyed in Germany by duly accredited diplomatic agents of friendly Powers.

Germany further agrees to provide for the salaries and expenses of the Commission and of such staff as it may employ.

ARTICLE 241.

Germany undertakes to pass, issue and maintain in force any legislation, orders and decrees that may be necessary to give complete effect to these provisions.

ARTICLE 242.

The provisions of this Part of the present Treaty do not apply to the property, rights and interests referred to in Sections III and IV of Part X (Economic Clauses) of the present Treaty, nor to the product of their liquidation, except so far as concerns any final balance in favour of Germany under Article 243 (a).

ARTICLE 243.

The following shall be reckoned as credits to Germany in respect of her reparation obligations:—

(a) Any final balance in favour of Germany under Section V (Alsace-Lorraine) of Part III (Political Clauses for Europe) and Sections III and IV of Part X (Economic Clauses) of the present Treaty;

(b) Amounts due to Germany in respect of transfers under Section IV (Saar Basin) of Part III (Political Clauses for Europe), Part IX (Financial Clauses), and Part XII (Ports, Waterways and Railways);

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(c) Amounts which in the judgment of the Reparation Commission should be credited to Germany on account of any other transfers under the present Treaty of property, rights, concessions or other interests.

In no case however shall credit be given for property restored in accordance with Article 238 of the present Part.

ARTICLE 244.

The transfer of the German submarine cables which do not form the subject of particular provisions of the present Treaty is regulated by Annex VII hereto.

ANNEX I.

Compensation may be claimed from Germany under Article 232 above in respect of the total damage under the following categories:—

(1) Damage to injured persons and to surviving dependents by personal injury to or death of civilians caused by acts of war, including bombardments or other attacks on land, on sea, or from the air, and all the direct consequences thereof, and of all operations of war by the two groups of belligerents wherever arising.

(2) Damage caused by Germany or her allies to civilian victims of acts of cruelty, violence or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment or evacuation, of exposure at sea or of being forced to labour), wherever arising, and to the surviving dependents of such victims.

(3) Damage caused by Germany or her allies in their own territory or in occupied or invaded territory to civilian victims of all acts injurious to health or capacity to work, or to honour, as well as to the surviving dependents of such victims.

(4) Damage caused by any kind of maltreatment of prisoners of war.

(5) As damage caused to the peoples of the Allied and Associated Powers, all pensions and compensation in the nature of pensions to naval and military victims of war (including members of the air force), whether mutilated, wounded, sick or invalided, and to the dependents of such victims, the amount due to the Allied and Associated Governments being calculated for each of them as being the capitalized cost of such pensions and compensation at the date of the coming into force of the present Treaty on the basis of the scales in force in France at such date.

(6) The cost of assistance by the Governments of the Allied and Associated Powers to prisoners of war and to their families and dependents.

(7) Allowances by the Governments of the Allied and Associated Powers to the families and dependents of mobilized persons or persons serving with the forces, the amount due to them for each calendar year in which hostilities occurred being calculated for each Government on the basis of the average scale for such payments in force in France during that year.

(8) Damage caused to civilians by being forced by Germany or her allies to labour without just remuneration.

(9) Damage in respect of all property wherever situated belonging to any of the Allied or Associated States or their nationals, with the exception of naval and military works or materials, which has been carried off, seized, injured or destroyed by the acts of Germany or her allies on land, on sea or from the air, or damage directly in consequence of hostilities or of any operations of war.

(10) Damage in the form of levies, fines and other similar exactions imposed by Germany or her allies upon the civilian population.

ANNEX II.

1.

The Commission referred to in Article 233 shall be called "The Reparation Commission," and is hereinafter referred to as "the Commission."

2.

Delegates to this Commission shall be nominated by the United States of America, Great Britain, France, Italy, Japan, Belgium and the Serb-Croat-Slovene State. Each of these Powers will appoint one Delegate and also one Assistant Delegate, who will take his place in case of illness or necessary absence, but at other times will only have the right to be present at proceedings without taking any part therein.

On no occasion shall the Delegates of more than five of the above Powers have the right to take part in the proceedings of the Commission and to record their votes. The Delegates of the United States, Great Britain, France and Italy shall have this right on all occasions. The Delegate of Belgium shall have this right on all occasions other than those referred to below. The Delegate of Japan shall have this right on occasions when questions relating to damage at sea, and questions arising under Article 260 of Part IX (Financial Clauses) in which Japanese interests are concerned, are under consideration. The Delegate of the Serb-Croat-Slovene State shall have this right when questions relating to Austria, Hungary or Bulgaria are under consideration.

Each Government represented on the Commission shall have the right to withdraw therefrom upon twelve months notice filed with the Commission and confirmed in the course of the sixth month after the date of the original notice.

3.

Such of the other Allied and Associated Powers as may be interested shall have the right to appoint a Delegate to be present and act as Assessor only while their respective claims and interests are under examination or discussion, but without the right to vote.

4

In case of the death, resignation or recall of any Delegate, Assistant Delegate or Assessor, a successor to him shall be nominated as soon as possible.

5.

The Commission will have its principal permanent Bureau in Paris and will hold its first meeting in Paris as soon as practicable after the coming into force of the present Treaty, and thereafter will meet in such place or places and at such time as it may deem convenient and as may be necessary for the most expeditious discharge of its duties.

6.

At its first meeting the Commission shall elect, from among the Delegates referred to above, a Chairman and a Vice-Chairman, who shall hold office for one year and shall be eligible for re-election. If a vacancy in the Chairmanship or Vice-Chairmanship should occur during the annual period, the Commission shall proceed to a new election for the remainder of the said period.

7.

The Commission is authorized to appoint all necessary officers, agents and employees who may be required for the execution of its functions, and to fix their

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remuneration; to constitute committees, whose members need not necessarily be members of the Commission, and to take all executive steps necessary for the purpose of discharging its duties; and to delegate authority and discretion to officers, agents and committees.

8.

All proceedings of the Commission shall be private, unless, on particular occasions, the Commission shall otherwise determine for special reasons.

9.

The Commission shall be required, if the German Government so desire, to hear, within a period which it will fix from time to time, evidence and arguments on the part of Germany on any question connected with her capacity to pay.

10.

The Commission shall consider the claims and give to the German Government a just opportunity to be heard, but not take any part whatever in the decisions of the Commission. The Commission shall afford a similar opportunity to the allies of Germany, when it shall consider that their interests are in question.

11.

The Commission shall not be bound by any particular code or rules of law or by any particular rule of evidence or of procedure, but shall be guided by justice, equity and good faith. Its decisions must follow the same principles and rules in all cases where they are applicable. It will establish rules relating to methods of proof of claims. It may act on any trustworthy modes of computation.

12.

The Commission shall have all the powers conferred upon it, and shall exercise all the functions assigned to it, by the present Treaty.

The Commission shall in general have wide latitude as to its control and handling of the whole reparation problem as dealt with in this Part of the present Treaty and shall have authority to interpret its provisions. Subject to the provisions of the present Treaty, the Commission is constituted by the several Allied and Associated Governments referred to in paragraphs 2 and 3 above as the exclusive agency of the said Governments respectively for receiving, selling, holding, and distributing the reparation payments to be made by Germany under this Part of the present Treaty. The Commission must comply with the following conditions and provisions:

(a) Whatever part of the full amount of the proved claims is not paid in gold, or in ships, securities and commodities or otherwise, Germany shall be required, under such conditions as the Commission may determine, to cover by way of guarantee by an equivalent issue of bonds, obligations or otherwise, in order to constitute an acknowledgment of the said part of the debt.

(b) In periodically estimating Germany's capacity to pay, the Commission shall examine the German system of taxation, first, to the end that the sums for reparation which Germany is required to pay shall become a charge upon all her revenues prior to that for the service or discharge of any domestic loan, and secondly, so as to satisfy itself that, in general, the German scheme of taxation is fully as heavy proportionately as that of any of the Powers represented on the Commission.

(c) In order to facilitate and continue the immediate restoration of the economic life of the Allied and Associated countries, the Commission will as provided in Article

235 take from Germany by way of security for and acknowledgment of her debt a first instalment of gold bearer bonds free of all taxes and charges of every description established or to be established by the Government of the German Empire or of the German States, or by any authority subject to them; these bonds will be delivered on account and in three portions, the marks gold being payable in conformity with Article 262 of Part IX (Financial Clauses) of the present Treaty as follows:

(1) To be issued forthwith, 20,000,000,000 Marks gold bearer bonds, payable not later than May 1, 1921, without interest. There shall be specially applied towards the amortisation of these bonds the payments which Germany is pledged to make in conformity with Article 235, after deduction of the sums used for the reimbursement of expenses of the armies of occupation and for the payment of foodstuffs and raw materials. Such bonds as have not been redeemed by May 1, 1921, shall then be exchanged for new bonds of the same type as those provided for below (paragraph 12, c, (2)).

(2) To be issued forthwith, further 40,000,000,000 Marks gold bearer bonds, bearing interest at 2½ per cent per annum between 1921 and 1926, and thereafter at 5 per cent per annum with an additional 1 per cent for amortisation beginning in 1926 on the whole amount of the issue.

(3) To be delivered forthwith a covering undertaking in writing to issue when, but not until, the Commission is satisfied that Germany can meet such interest and sinking fund obligations, a further instalment of 40,000,000,000 Marks gold 5 per cent bearer bonds, the time and mode of payment of principal and interest to be determined by the Commission.

The dates for payment of interest, the manner of applying the amortisation fund, and all other questions relating to the issue, management and regulation of the bond issue shall be determined by the Commission from time to time.

Further issues by way of acknowledgment and security may be required as the Commission subsequently determines from time to time.

(d) In the event of bonds, obligations or other evidence of indebtedness issued by Germany by way of security for or acknowledgment of her reparation debt being disposed of outright, not by way of pledge, to persons other than the several Governments in whose favour Germany's original reparation indebtedness was created, an amount of such reparation indebtedness shall be deemed to be extinguished corresponding to the nominal value of the bonds, etc., so disposed of outright, and the obligation of Germany in respect of such bonds shall be confined to her liabilities to the holders of the bonds, as expressed upon their face.

(e) The damage for repairing, reconstructing and rebuilding property in the invaded and devastated districts, including reinstallation of furniture, machinery and other equipment, will be calculated according to the cost at the dates when the work is done.

(f) Decisions of the Commission relating to the total or partial cancellation of the capital or interest of any verified debt of Germany must be accompanied by a statement of its reasons.

13

As to voting, the Commission will observe the following rules:

When a decision of the Commission is taken, the votes of all the Delegates entitled to vote, or in the absence of any of them, of their Assistant Delegates, shall be recorded. Abstention from voting is to be treated as a vote against the proposal under discussion. Assessors have no vote.

On the following questions unanimity is necessary:

(a) Questions involving the sovereignty of any of the Allied and Associated Powers, or the cancellation of the whole or any part of the debt or obligations of Germany;

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(b) Questions of determining the amount and conditions of bonds or other obligations to be issued by the German Government and of fixing the time and manner for selling, negotiating or distributing such bonds;

(c) Any postponement, total or partial, beyond the end of 1930, of the payment of instalments falling due between May 1, 1921, and the end of 1926 inclusive;

(d) Any postponement, total or partial, of any instalment falling due after 1926 for a period exceeding three years;

(e) Questions of applying in any particular case a method of measuring damages different from that which has been previously applied in a similar case;

(f) Questions of the interpretation of the provisions of this Part of the present Treaty.

All other questions shall be decided by the vote of a majority.

In case of any difference of opinion among the Delegates, which cannot be solved by reference to their Governments, upon the question whether a given case is one which requires a unanimous vote for its decision or not, such difference shall be referred to the immediate arbitration of some impartial person to be agreed upon by their Governments, whose award the Allied and Associated Governments agree to accept.

14

Decisions of the Commission, in accordance with the powers conferred upon it, shall forthwith become binding and may be put into immediate execution without further proceedings.

15

The Commission will issue to each of the interested Powers, in such form as the Commission shall fix:

(1) A certificate stating that it holds for the account of the said Power bonds of the issues mentioned above, the said certificate, on the demand of the Power concerned, being divisible in a number of parts not exceeding five;

(2) From time to time certificates stating the goods delivered by Germany on account of her reparation debt which it holds for the account of the said Power.

The said certificates shall be registered, and upon notice to the Commission, may be transferred by endorsement.

When bonds are issued for sale or negotiation, and when goods are delivered by the Commission, certificates to an equivalent value must be withdrawn.

16

Interest shall be debited to Germany as from May 1, 1921, in respect of her debt as determined by the Commission, after allowing for sums already-covered by cash payments or their equivalent, or by bonds issued to the Commission, or under Article 243. The rate of interest shall be 5 per cent unless the Commission shall determine at some future time that circumstances justify a variation of this rate.

The Commission, in fixing on May 1, 1921, the total amount of the debt of Germany, may take account of interest due on sums arising out of the reparation of material damage as from November 11, 1918, up to May 1, 1921.

17

In case of default by Germany in the performance of any obligation under this Part of the present Treaty, the Commission will forthwith give notice of such default to each of the interested Powers and may make such recommendations as to the action to be taken in consequence of such default as it may think necessary.

18

The measures which the Allied and Associated Powers shall have the right to take, in case of voluntary default by Germany, and which Germany agrees not to regard as acts of war, may include economic and financial prohibitions and reprisals and in general such other measures as the respective Governments may determine to be necessary in the circumstances.

19

Payments required to be made in gold or its equivalent on account of the proved claims of the Allied and Associated Powers may at any time be accepted by the Commission in the form of chattels, properties, commodities, businesses, rights, concessions, within or without German territory, ships, bonds, shares or securities of any kind, or currencies of Germany or other States, the value of such substitutes for gold being fixed at a fair and just amount by the Commission itself.

20

The Commission, in fixing or accepting payment in specified properties or rights, shall have due regard for any legal or equitable interests of the Allied and Associated Powers or neutral Powers or of their nationals therein.

21.

No member of the Commission shall be responsible, except to the Government appointing him, for any action or omission as such member. No one of the Allied or Associated Governments assumes any responsibility in respect of any other Government.

22.

Subject to the provisions of the present Treaty this Annex may be amended by the unanimous decision of the Governments represented from time to time upon the Commission.

23.

When all the amounts due from Germany and her allies under the present Treaty or the decisions of the Commission have been discharged and all sums received, or their equivalents, shall have been distributed to the Powers interested, the Commission shall be dissolved.

ANNEX III.

1.

Germany recognizes the right of the Allied and Associated Powers to the replacement, ton for ton (gross tonnage) and class for class, of all merchant ships and fishing boats lost or damaged owing to the war.

Nevertheless, and in spite of the fact that the tonnage of German shipping at present in existence is much less than that lost by the Allied and Associated Powers in consequence of the German aggression, the right thus recognized will be enforced on German ships and boats under the following conditions:

The German Government, on behalf of themselves and so as to bind all other persons interested, cede to the Allied and Associated Governments the property in all

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the German merchant ships which are of 1,600 tons gross and upwards; in one-half, reckoned in tonnage, of the ships which are between 1,000 tons and 1,600 tons gross; in one-quarter, reckoned in tonnage, of the steam trawlers; and in one-quarter, reckoned in tonnage, of the other fishing boats.

2.

The German Government will, within two months of the coming into force of the present Treaty, deliver to the Reparation Commission all the ships and boats mentioned in paragraph 1.

3.

The ships and boats mentioned in paragraph 1 include all ships and boats which (a) fly, or may be entitled to fly, the German merchant flag; or (b) are owned by any German national company or corporation or by any company or corporation belonging to a country other than an Allied or Associated country and under the control or direction of German nationals; or (c) are now under construction (1) in Germany, (2) in other than Allied or Associated countries for the account of any German national, company or corporation.

4.

For the purpose of providing documents of title for the ships and boats to be handed over as above mentioned, the German Government will:

(a) Deliver to the Reparation Commission in respect of each vessel a bill of sale or other document of title evidencing the transfer to the Commission of the entire property in the vessel, free from all encumbrances, charges and liens of all kinds, as the Commission may require;

(b) Take all measures that may be indicated by the Reparation Commission for ensuring that the ships themselves shall be placed at its disposal.

5.

As an additional part of reparation, Germany agrees to cause merchant ships to be built in German yards for the account of the Allied and Associated Governments as follows:

(a) Within three months of the coming into force of the present Treaty, the Reparation Commission will notify to the German Government the amount of tonnage to be laid down in German shipyards in each of the two years next succeeding the three months mentioned above.

(b) Within two years of the coming into force of the present Treaty, the Reparation Commission will notify to the German Government the amount of tonnage to be laid down in each of the three years following the two years mentioned above.

(c) The amount of tonnage to be laid down in each year shall not exceed 200,000 tons, gross tonnage.

(d) The specifications of the ships to be built, the conditions under which they are to be built and delivered, the price per ton at which they are to be accounted for by the Reparation Commission, and all other questions relating to the accounting, ordering, building and delivery of the ships, shall be determined by the Commission.

6.

Germany undertakes to restore in kind and in normal condition of upkeep to the Allied and Associated Powers, within two months of the coming into force of the present Treaty, in accordance with procedure to be laid down by the Reparation Com-

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mission, any boats and other movable appliances belonging to inland navigation which since August 1, 1914, have by any means whatever come into her possession or into the possession of her nationals, and which can be identified.

With a view to make good the loss in inland navigation tonnage, from whatever cause arising, which has been incurred during the war by the Allied and Associated Powers, and which cannot be made good by means of the restitution prescribed above, Germany agrees to cede to the Reparation Commission a portion of the German river fleet up to the amount of the loss mentioned above, provided that such cession shall not exceed 20 per cent of the river fleet as it existed on November 11, 1918.

The conditions of this cession shall be settled by the arbitrators referred to in Article 339 of Part XII (Ports, Waterways and Railways) of the present Treaty, who are charged with the settlement of difficulties relating to the apportionment of river tonnage resulting from the new international régime applicable to certain river systems or from the territorial changes affecting those systems.

7.

Germany agrees to take any measures that may be indicated to her by the Reparation Commission for obtaining the full title to the property in all ships which have during the war been transferred, or are in process of transfer, to neutral flags, without the consent of the Allied and Associated Governments.

8.

Germany waives all claims of any description against the Allied and Associated Governments and their nationals in respect of the detention, employment, loss or damage of any German ships or boats, exception being made of payments due in respect of the employment of ships in conformity with the Armistice Agreement of January 13, 1919, and subsequent Agreements.

The handing over of the ships of the German mercantile marine must be continued without interruption in accordance with the said Agreement.

9.

Germany waives all claims to vessels or cargoes sunk by or in consequence of naval action and subsequently salvaged, in which any of the Allied or Associated Governments or their nationals may have any interest either as owners, charterers, insurers or otherwise, notwithstanding any decree of condemnation which may have been made by a Prize Court of Germany or of her allies.

ANNEX IV.

I.

The Allied and Associated Powers require, and Germany undertakes, that in part satisfaction of her obligations expressed in the present Part she will, as hereinafter provided, devote her economic resources directly to the physical restoration of the invaded areas of the Allied and Associated Powers, to the extent that these Powers may determine.

2.

The Allied and Associated Governments may file with the Reparation Commission lists showing:

(a) Animals, machinery, equipment, tools and like articles of a commercial character, which have been seized, consumed or destroyed by Germany or destroyed

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in direct consequence of military operations, and which such Governments, for the purpose of meeting immediate and urgent needs, desire to have replaced by animals and articles of the same nature which are in being in German territory at the date of the coming into force of the present Treaty;

(b) Reconstruction materials (stones, bricks, refractory bricks, tiles, wood, window-glass, steel, lime, cement, etc.), machinery, heating apparatus, furniture and like articles of a commercial character which the said Governments desire to have produced and manufactured in Germany and delivered to them to permit of the restoration of the invaded areas.

3.

The lists relating to the articles mentioned in 2 (a) above shall be filed within sixty days after the date of the coming into force of the present Treaty.

The lists relating to the articles in 2 (b) above shall be filed on or before December 31, 1919.

The lists shall contain all such details as are customary in commercial contracts dealing with the subject matter, including specifications, dates of delivery (but not extending over more than four years), and places of delivery, but not price or value, which shall be fixed as hereinafter provided by the Commission.

4.

Immediately upon the filing of such lists with the Commission, the Commission shall consider the amount and number of the materials and animals mentioned in the lists provided for above which are to be required of Germany. In reaching a decision on this matter the Commission shall take into account such domestic requirements of Germany as it deems essential for the maintenance of Germany's social and economic life, the prices and dates at which similar articles can be obtained in the Allied and Associated countries as compared with those to be fixed for German articles, and the general interest of the Allied and Associated Governments that the industrial life of Germany be not so disorganized as to affect adversely the ability of Germany to perform the other acts of reparation stipulated for.

Machinery, equipment, tools and like articles of a commercial character in actual industrial use are not, however, to be demanded of Germany unless there is no free stock of such articles respectively which is not in use and is available, and then not in excess of thirty per cent of the quantity of such articles in use in any one establishment or undertaking.

The Commission shall give representatives of the German Government an opportunity and a time to be heard as to their capacity to furnish the said materials, articles and animals.

The decision of the Commission shall thereupon and at the earliest possible moment be communicated to the German Government and to the several interested Allied and Associated Governments.

The German Government undertakes to deliver the materials, articles and animals as specified in the said communication, and the interested Allied and Associated Governments severally agree to accept the same, provided they conform to the specification given, or are not, in the judgment of the Commission, unfit to be utilized in the work of reparation.

5.

The Commission shall determine the value to be attributed to the materials, articles and animals to be delivered in accordance with the foregoing, and the Allied or Associated Power receiving the same agrees to be charged with such value, and the amount thereof shall be treated as a payment by Germany to be divided in accordance with article 237 of this Part of the Present Treaty.

In cases where the right to require physical restoration as above provided is exercised, the Commission shall ensure that the amount to be credited against the reparation obligation of Germany shall be the fair value of work done or materials supplied by Germany, and that the claim made by the interested Power in respect of the damage so repaired by physical restoration shall be discharged to the extent of the proportion which the damage thus repaired bears to the whole of the damage thus claimed for.

6.

As an immediate advance on account of the animals referred to in paragraph 2 (a) above, Germany undertakes to deliver in equal monthly instalments in the three months following the coming into force of the present Treaty the following quantities of live stock:

(1) *To the French Government.*

500 stallions (3 to 7 years);
 30,000 fillies and mares (18 months to 7 years), type: Ardennais, Boulonnais or Belgian;
 2,000 bulls (18 months to 3 years);
 90,000 milch cows (2 to 6 years);
 1,000 rams;
 100,000 sheep;
 10,000 goats.

(2) *To the Belgian Government.*

200 stallions (3 to 7 years), large Belgian type;
 5,000 mares (3 to 7 years), large Belgian type;
 5,000 fillies (18 months to 3 years), large Belgian type;
 2,000 bulls (18 months to 3 years);
 50,000 milch cows (2 to 6 years);
 40,000 heifers;
 200 rams;
 20,000 sheep;
 15,000 sows.

The animals delivered shall be of average health and condition.

To the extent that animals so delivered cannot be identified as animals taken away or seized, the value of such animals shall be credited against the reparation obligations of Germany in accordance with paragraph 5 of this Annex.

7.

Without waiting for the decisions of the Commission referred to in paragraph 4 of this Annex to be taken, Germany must continue the delivery to France of the agricultural material referred to in Article III of the renewal dated January 16, 1919, of the Armistice.

ANNEX V.

1.

Germany accords the following options for the delivery of coal and derivatives of coal to the undermentioned signatories of the present Treaty.

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2.

Germany undertakes to deliver to France seven million tons of coal per year for ten years. In addition, Germany undertakes to deliver to France annually for a period not exceeding ten years an amount of coal equal to the difference between the annual production before the war of the coal mines of the Nord and Pas de Calais, destroyed as a result of the war, and the production of the mines of the same area during the years in question; such delivery not to exceed twenty million tons in any one year of the first five years, and eight million tons in any one year of the succeeding five years.

It is understood that due diligence will be exercised in the restoration of the destroyed mines in the Nord and the Pas de Calais.

3.

Germany undertakes to deliver to Belgium eight million tons of coal annually for ten years.

Germany undertakes to deliver to Italy up to the following quantities of coal.

July 1919 to June 1920..	4½ million tons,
— 1920 ——— 1921..	6 ———
— 1921 ——— 1922..	7½ ———
— 1922 ——— 1923..	8 ———
— 1923 ——— 1924..	8½ ———

and each of the following years.. }

At least two-thirds of the actual deliveries to be land-borne.

5.

Germany further undertakes to deliver annually to Luxemburg, if directed by the Reparation Commission, a quantity of coal equal to the pre-war annual consumption of German coal in Luxemburg.

6.

The prices to be paid for coal delivered under these options shall be as follows:

(a) For overland delivery, including delivery by barge, the German pithead price to German nationals, plus the freight to French, Belgian, Italian or Luxemburg frontiers, provided that the pithead price does not exceed the pithead price of British coal for export. In the case of Belgian bunker coal, the price shall not exceed the Dutch bunker price.

Railroad and barge tariffs shall not be higher than the lowest similar rates paid in Germany.

(b) For sea delivery, the German export price f.o.b. German ports, or the British export price f.o.b. British ports, whichever may be lower.

7.

The Allied and Associated Governments interested may demand the delivery, in place of coal, of metallurgical coke in the proportion of 3 tons of coke to 4 tons of coal.

8.

Germany undertakes to deliver to France, and to transport to the French frontier by rail or by water, the following products, during each of the three years following the coming into force of this Treaty:

Benzol.	35,000 tons.
Coal tar.	50,000 tons.
Sulphate of ammonia.	30,000 tons.

All or part of the coal tar may, at the option of the French Government, be replaced by corresponding quantities of products of distillation, such as light oils, heavy oils, anthracene, naphthalene or pitch.

9.

The price paid for coke and for the articles referred to in the preceding paragraph shall be the same as the price paid by German nationals under the same conditions of shipment to the French frontier or to the German ports, and shall be subject to any advantages which may be accorded similar products furnished to German nationals.

10.

The foregoing options shall be exercised through the intervention of the Reparation Commission, which, subject to the specific provisions hereof, shall have power to determine all questions relative to procedure and the qualities and quantities of products, the quantity of coke which may be substituted for coal, and the times and modes of delivery and payment. In giving notice to the German Government of the foregoing options the Commission shall give at least 120 days' notice of deliveries to be made after January 1, 1920, and at least 30 days' notice of deliveries to be made between the coming into force of this Treaty and January 1, 1920. Until Germany has received the demands referred to in this paragraph, the provisions of the Protocol of December 25, 1918 (Execution of Article VI of the Armistice of November 11, 1918), remain in force. The notice to be given to the German Government of the exercise of the right of substitution accorded by paragraphs 7 and 8 shall be such as the Reparation Commission may consider sufficient. If the Commission shall determine that the full exercise of the foregoing options would interfere unduly with the industrial requirements of Germany, the Commission is authorized to postpone or to cancel deliveries, and in so doing to settle all questions of priority; but the coal to replace coal from destroyed mines shall receive priority over other deliveries.

ANNEX VI.

1.

Germany accords to the Reparation Commission an option to require as Part of reparation the delivery by Germany of such quantities and kinds of dyestuffs and chemical drugs as the Commission may designate, not exceeding 50 per cent of the total stock of each and every kind of dyestuff and chemical drug in Germany or under German control at the date of the coming into force of the present Treaty.

This option shall be exercised within sixty days of the receipt by the Commission of such particulars as to stocks as may be considered necessary by the Commission.

2.

Germany further accords to the Reparation Commission an option to require delivery during the period from the date of the coming into force of the present

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Treaty until January 1, 1920, and during each period of six months thereafter until January 1, 1925, of any specified kind of dyestuff and chemical drug up to an amount not exceeding 25 per cent of the German production of such dyestuffs and chemical drugs during the previous six months period. If in any case the production during such previous six months was, in the opinion of the Commission, less than normal, the amount required may be 25 per cent of the normal production.

Such option shall be exercised within four weeks after the receipt of such particulars as to production and in such forms as may be considered necessary by the Commission; these particulars shall be furnished by the German Government immediately after the expiration of each six months period.

3.

For dyestuffs and chemical drugs delivered under paragraph 1, the price shall be fixed by the Commission having regard to pre-war net export prices and to subsequent increases of cost.

For dyestuffs and chemical drugs delivered under paragraph 2, the price shall be fixed by the Commission having regard to pre-war net export prices and subsequent variations of cost, or the lowest net selling price of similar dyestuffs and chemical drugs to any other purchaser.

4.

All details, including mode and times of exercising the options, and making delivery, and all other questions arising under this arrangement shall be determined by the Reparation Commission; the German Government will furnish to the Commission all necessary information and other assistance which it may require.

The above expression "dyestuffs and chemical drugs" includes all synthetic dyes and drugs and intermediate or other products used in connection with dyeing, so far as they are manufactured for sale. The present arrangements shall also apply to cinchona bark and salts of quinine.

ANNEX VII.

Germany renounces on her own behalf and on behalf of her nationals in favour of the Principal Allied and Associated Powers all rights, titles or privileges of whatever nature in the submarine cables set out below, or in any portions thereof:

Emden-Vigo: from the Straits of Dover to off Vigo;
 Emden-Brest: from off Cherbourg to Brest;
 Emden-Teneriffe: from off Dunkirk to off Teneriffe;
 Emden-Azores (1): from the Straits of Dover to Fayal;
 Emden-Azores (2): from the Straits of Dover to Fayal;
 Azores-New York (1): from Fayal to New York;
 Azores-New York (2): from Fayal to the longitude of Halifax;
 Teneriffe-Monrovia: from off Teneriffe to off Monrovia;
 Monrovia-Lome:

from about	{ lat. : 2° 30' N.;
	{ long.: 7° 40' W. of Greenwich;
to about	{ lat. : 2° 20' N.;
	{ long.: 5° 30' W. of Greenwich;
and from about	{ lat. : 3° 48' N.;
	{ long.: 0° 00'

to Lome;

Lome-Duala: from Lome to Duala;
 Monrovia-Pernambuco: from off Monrovia to off Pernambuco;
 Constantinople-Constanza: from Constantinople to Constanza;
 Yap-Shanghai, Yap-Guam, and Yap-Menado (Celebes): from Yap Island to Shanghai, from Yap Island to Guam Island, and from Yap Island to Menado.

The value of the above mentioned cables or portions thereof in so far as they are privately owned, calculated on the basis of the original cost less a suitable allowance for depreciation, shall be credited to Germany in the reparation account.

SECTION II.

Special Provisions.

ARTICLE 245.

Within six months after the coming into force of the present Treaty the German Government must restore to the French Government the trophies, archives, historical souvenirs or works of art carried away from France by the German authorities in the course of the war of 1870-1871 and during this last war, in accordance with a list which will be communicated to it by the French Government; particularly the French flags taken in the course of the war of 1870-1871 and all the political papers taken by the German authorities on October 10, 1870, at the chateau of Cercay, near Brunoy (Seine-et-Oise) belonging at the time to Mr. Rouher, formerly Minister of State.

ARTICLE 246.

Within six months from the coming into force of the present Treaty, Germany will restore to His Majesty the King of the Hedjaz the original Koran of the Caliph Othman, which was removed from Medina by the Turkish authorities and is stated to have been presented to the ex-Emperor William II.

Within the same period Germany will hand over to His Britannic Majesty's Government the skull of the Sultan Mkwawa which was removed from the Protectorate of German East Africa and taken to Germany.

The delivery of the articles above referred to will be effected in such place and in such conditions as may be laid down by the Governments to which they are to be restored.

ARTICLE 247.

Germany undertakes to furnish to the University of Louvain, within three months after a request made by it and transmitted through the intervention of the Reparation Commission, manuscripts, incunabula, printed books, maps and objects of collection corresponding in number and value to those destroyed in the burning by Germany of the Library of Louvain. All details regarding such replacement will be determined by the Reparation Commission.

Germany undertakes to deliver to Belgium, through the Reparation Commission, within six months of the coming into force of the present Treaty, in order to enable Belgium to reconstitute two great artistic works:

(1) The leaves of the triptych of the Mystic Lamb painted by the Van Eyck brothers, formerly in the Church of St. Baven at Ghent, now in the Berlin Museum:

(2) The leaves of the triptych of the Last Supper, painted by Dierick Bouts, formerly in the Church of St. Peter at Louvain, two of which are now in the Berlin Museum and two in the Old Pinakothek at Munich.

PART IX.

FINANCIAL CLAUSES.

ARTICLE 248.

Subject to such exceptions as the Reparation Commission may approve, a first charge upon all the assets and revenues of the German Empire and its constituent States shall be the cost of reparation and all other costs arising under the present Treaty or any treaties or agreements supplementary thereto or under arrangements concluded between Germany and the Allied and Associated Powers during the Armistice or its extensions.

Up to May 1, 1921, the German Government shall not export or dispose of, and shall forbid the export or disposal of, gold without the previous approval of the Allied and Associated Powers acting through the Reparation Commission.

ARTICLE 249.

There shall be paid by the German Government the total cost of all armies of the Allied and Associated Governments in occupied German territory from the date of the signature of the Armistice of November 11, 1918, including the keep of men and beasts, lodging and billeting, pay and allowances, salaries and wages, bedding, heating, lighting, clothing, equipment, harness and saddlery, armament and rolling-stock, air services, treatment of sick and wounded, veterinary and remount services, transport service of all sorts (such as by rail, sea or river, motor lorries), communications and correspondence, and in general the cost of all administrative or technical services the working of which is necessary for the training of troops and for keeping their numbers up to strength and preserving their military efficiency.

The cost of such liability under the above heads so far as they relate to purchases or requisitions by the Allied and Associated Governments in the occupied territories shall be paid by the German Government to the Allied and Associated Governments in marks at the current agreed rate of exchange. All other of the above costs shall be paid in gold marks.

ARTICLE 250.

Germany confirms the surrender of all material handed over to the Allied and Associated Powers in accordance with the Armistice of November 11, 1918, and subsequent Armistice Agreements, and recognizes the title of the Allied and Associated Powers to such material.

There shall be credited to the German Government, against the sums due from it to the Allied and Associated Powers for reparation, the value, as assessed by the Reparation Commission, referred to in Article 233 of Part VIII (Reparation) of the present Treaty, of the material handed over in accordance with Article VII of the Armistice of November 11, 1918, or Article III of the Armistice Agreement of January 10, 1919, as well as of any other material handed over in accordance with the Armistice of November 11, 1918, and of subsequent Armistice Agreements, for which, as having non-military value, credit should in the judgment of the Reparation Commission be allowed to the German Government.

Property belonging to the Allied and Associated Governments or their nationals restored or surrendered under the Armistice Agreements in specie shall not be credited to the German Government.

ARTICLE 251.

The priority of the charges established by Article 248 shall, subject to the qualifications made below, be as follows:

- (a) The cost of the armies of occupation as defined under Article 249 during the Armistice and its extensions;
- (b) The cost of any armies of occupation as defined under Article 249 after the coming into force of the present Treaty;
- (c) The cost of reparation arising out of the present Treaty or any treaties or conventions supplementary thereto;
- (d) The cost of all other obligations incumbent on Germany under the Armistice Conventions or under this Treaty or any treaties or conventions supplementary thereto.

The payment for such supplies of food and raw material for Germany and such other payments as may be judged by the Allied and Associated Powers to be essential to enable Germany to meet her obligations in respect of reparation will have priority to the extent and upon the conditions which have been or may be determined by the Governments of the said Powers.

ARTICLE 252.

The right of each of the Allied and Associated Powers to dispose of enemy assets and property within its jurisdiction at the date of the coming into force of the present Treaty is not affected by the foregoing provisions.

ARTICLE 253.

Nothing in the foregoing provisions shall prejudice in any manner charges or mortgages lawfully effected in favour of the Allied or Associated Powers or their nationals respectively, before the date at which a state of war existed between Germany and the Allied or Associated Power concerned, by the German Empire or its constituent States, or by German nationals, on assets in their ownership at that date.

ARTICLE 254.

The Powers to which German territory is ceded shall, subject to the qualifications made in Article 255, undertake to pay:

- (1) A portion of the debt of the German Empire as it stood on August 1, 1914, calculated on the basis of the ratio between the average for the three financial years 1911, 1912, 1913, of such revenues of the ceded territory, and the average for the same years of such revenues of the whole German Empire as in the judgment of the Reparation Commission are best calculated to represent the relative ability of the respective territories to make payment;
- (2) A portion of the debt as it stood on August 1, 1914, of the German State to which the ceded territory belonged, to be determined in accordance with the principle stated above.

Such portions shall be determined by the Reparation Commission.

The method of discharging the obligation, both in respect of capital and of interest, so assumed shall be fixed by the Reparation Commission. Such method may take the form, *inter alia*, of the assumption by the Power to which the territory is ceded of Germany's liability for the German debt held by her nationals. But in the event of the method adopted involving any payments to the German Government, such payments shall be transferred to the Reparation Commission on account of the sums due for reparation so long as any balance in respect of such sums remains unpaid.

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ARTICLE 255.

(1) As an exception to the above provision and inasmuch as in 1871 Germany refused to undertake any portion of the burden of the French debt, France shall be, in respect of Alsace-Lorraine, exempt from any payment under Article 254.

(2) In the case of Poland that portion of the debt which, in the opinion of the Reparation Commission, is attributable to the measures taken by the German and Prussian Governments for the German colonization of Poland shall be excluded from the apportionment to be made under Article 254.

(3) In the case of all ceded territories other than Alsace-Lorraine, that portion of the debt of the German Empire or German States which, in the opinion of the Reparation Commission, represents expenditure by the Governments of the German Empire or States upon the Government properties referred to in Article 256 shall be excluded from the apportionment to be made under Article 254.

Powers to which German territory is ceded shall acquire all property and possessions situated therein belonging to the German Empire or to the German States, and the value of such acquisitions shall be fixed by the Reparation Commission, and paid by the State acquiring the territory to the Reparation Commission for the credit of the German Government on account of the sums due for reparation.

For the purposes of this Article the property and possessions of the German Empire and States shall be deemed to include all the property of the Crown, the Empire or the States, and the private property of the former German Emperor and other Royal personages.

In view of the terms on which Alsace-Lorraine was ceded to Germany in 1871, France shall be exempt in respect thereof from making any payment or credit under this Article for any property or possessions of the German Empire or States situated therein.

Belgium also shall be exempt from making any payment or any credit under this Article for any property or possessions of the German Empire or States situated in German territory ceded to Belgium under the present Treaty.

ARTICLE 257.

In the case of the former German territories, including colonies, protectorates or dependencies, administered by a Mandatory under Article 22 of Part 1 (League of Nations) of the present Treaty, neither the territory nor the Mandatory Power shall be charged with any portion of the debt of the German Empire or States.

All property and possessions belonging to the German Empire or to the German States situated in such territories shall be transferred with the territories to the Mandatory Power in its capacity as such and no payment shall be made nor any credit given to those Governments in consideration of this transfer.

For the purposes of this Article the property and possessions of the German Empire and of the German States shall be deemed to include all the property of the Crown, the Empire or the States and the private property of the former German Emperor and other Royal personages.

ARTICLE 258.

Germany renounces all rights accorded to her or her nationals by treaties, conventions or agreements, of whatsoever kind, to representation upon or participation in the control or administration of commissions, state banks, agencies or other financial or economic organizations of an international character, exercising powers of control or administration, and operating in and of the Allied or Associated States, or in Austria, Hungary, Bulgaria or Turkey, or in the dependencies of these States, or in the former Russian Empire.

ARTICLE 259.

(1) Germany agrees to deliver within one month from the date of the coming into force of the present Treaty, to such authority as the Principal Allied and Associated Powers may designate, the sum in gold which was to be deposited in the Reichsbank in the name of the Council of the Administration of the Ottoman Public Debt as security for the first issue of Turkish Government currency notes.

(2) Germany recognises her obligation to make annually for the period of twelve years the payments in gold for which provision is made in the German Treasury Bonds deposited by her from time to time in the name of the Council of the Administration of the Ottoman Public Debt as security for the second and subsequent issues of Turkish Government currency notes.

(3) Germany undertakes to deliver, within one month from the coming into force of the present Treaty, to such authority as the Principal Allied and Associated Powers may designate, the gold deposit constituted in the Reichsbank or elsewhere, representing the residue of the advance in gold agreed to on May 5, 1915, by the Council of the Administration of the Ottoman Public Debt to the Imperial Ottoman Government.

(4) Germany agrees to transfer to the Principal Allied and Associated Powers any title that she may have to the sum in gold and silver transmitted by her to the Turkish Ministry of Finance in November, 1918, in anticipation of the payment to be made in May, 1919, for the service of the Turkish Internal Loan.

(5) Germany undertakes to transfer to the Principal Allied and Associated Powers, within a period of one month from the coming into force of the present Treaty, any sums in gold transferred as pledge or as collateral security to the German Government or its nationals in connection with loans made by them to the Austro-Hungarian Government.

(6) Without prejudice to Article 292 Part X (Economic Clauses) of the present Treaty, Germany confirms the renunciation provided for in Article XV of the Armistice of November 11, 1918, of any benefit disclosed by the Treaties of Bucharest and of Brest-Litovsk and by the treaties supplementary thereto.

Germany undertakes to transfer, either to Roumania or to the Principal Allied and Associated Powers as the case may be, all monetary instruments, specie, securities, and negotiable instruments, or goods, which she has received under the aforesaid Treaties.

(7) The sums of money and all securities, instruments and goods of whatsoever nature, to be delivered, paid and transferred under the provisions of this Article, shall be disposed of by the Principal Allied and Associated Powers in a manner hereafter to be determined by those Powers.

ARTICLE 260.

Without prejudice to the renunciation of any rights by Germany on behalf of herself or of her nationals in the other provisions of the present Treaty, the Reparation Commission may within one year from the coming into force of the present Treaty demand that the German Government become possessed of any rights and interests of German nationals in any public utility undertaking or in any concession operating in Russia, China, Turkey, Austria, Hungary and Bulgaria, or in the possessions or dependencies of these States or in any territory formerly belonging to Germany or her allies, to be ceded by Germany or her allies to any Power or to be administered by a Mandatory under the present Treaty, and may require that the German Government transfer, within six months of the date of demand, all such rights and interests and any similar rights and interests the German Government may itself possess to the Reparation Commission.

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Germany shall be responsible for indemnifying her nationals so dispossessed, and the Reparation Commission shall credit Germany, on account of sums due for reparation, with such sums in respect of the value of the transferred rights and interests as may be assessed by the Reparation Commission, and the German Government shall within six months from the coming into force of the present Treaty, communicate to the Reparation Commission all such rights and interests, whether already granted, contingent or not yet exercised, and shall renounce on behalf of itself and its nationals in favour of the Allied and Associated Powers all such rights and interests which have not been so communicated.

ARTICLE 261.

Germany undertakes to transfer to the Allied and Associated Powers any claims she may have to payment or repayment by the Governments of Austria, Hungary, Bulgaria or Turkey, and, in particular, any claims which may arise, now or hereafter, from the fulfilment of undertakings made by Germany during the war to those Governments.

ARTICLE 262.

Any monetary obligation due by Germany arising out of the present Treaty and expressed in terms of gold marks shall be payable at the option of the creditors in pounds sterling payable in London; gold dollars of the United States of America payable in New York; gold francs payable in Paris; or gold lire payable in Rome.

For the purpose of this Article the gold coins mentioned above shall be defined as being of the weight and fineness of gold as enacted by law on January 1, 1914.

ARTICLE 263.

Germany gives a guarantee to the Brazilian Government that all sums representing the sale of coffee belonging to the State of Sao Paulo in the ports of Hamburg, Bremen, Antwerp and Trieste, which were deposited with the Bank of Bleichröder at Berlin, shall be reimbursed together with interest at the rate or rates agreed upon. Germany, having prevented the transfer of the sums in question to the State of Sao Paulo at the proper time, guarantees also that the reimbursement shall be effected at the rate of exchange of the day of the deposit.

PART X
ECONOMIC CLAUSES.

SECTION I.
Commercial Relations.

CHAPTER I.
CUSTOMS REGULATIONS, DUTIES AND RESTRICTIONS.

ARTICLE 264.

Germany undertakes that goods the produce or manufacture of any one of the Allied or Associated States imported into German territory, from whatsoever place arriving, shall not be subjected to other or higher duties or charges (including internal charges) than those to which the like goods the produce or manufacture of any other such State or of any other foreign country are subject.

Germany will not maintain or impose any prohibition or restriction on the importation into German territory of any goods the produce or manufacture of the territories of any one of the Allied or Associated States, from whatsoever place arriving, which shall not equally extend to the importation of the like goods the produce or manufacture of any other such State or of any other foreign country.

ARTICLE 265.

Germany further undertakes that, in the matter of the régime applicable on importation, no discrimination against the commerce of any of the Allied and Associated States as compared with any other of the said States or any other foreign country shall be made, even by indirect means, such as customs regulations or procedure, methods of verification or analysis, conditions of payment of duties, tariff classification or interpretation, or the operation of monopolies.

ARTICLE 266.

In all that concerns exportation Germany undertakes that goods, natural products or manufactured articles, exported from German territory to the territories of any one of the Allied or Associated States shall not be subjected to other or higher duties or charges (including internal charges) than those paid on the like goods exported to any other such State or to any other foreign country.

Germany will not maintain or impose any prohibition or restriction on the exportation of any goods sent from her territory to any one of the Allied or Associated States which shall not equally extend to the exportation of the like goods, natural products or manufactured articles, sent to any other such State or to any other foreign country.

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ARTICLE 267.

Every favour, immunity or privilege in regard to the importation, exportation or transit of goods granted by Germany to any Allied or Associated State or to any other foreign country whatever shall simultaneously and unconditionally, without request and without compensation, be extended to all the Allied and Associated States.

ARTICLE 268.

The provisions of Article 264 to 267 inclusive of this Chapter and of Article 323 of Part XII (Ports, Waterways and Railways) of the present Treaty are subject to the following exceptions:

(a) For a period of five years from the coming into force of the present Treaty, natural or manufactured products which both originate in and come from the territories of Alsace and Lorraine reunited to France shall, on importation into German customs territory, be exempt from all customs duty.

The French Government shall fix each year, by decree communicated to the German Government, the nature and amount of the products which shall enjoy this exemption.

The amount of each product which may be thus sent annually into Germany shall not exceed the average of the amounts sent annually in the years 1911-1913.

Further, during the period above mentioned the German Government shall allow the free export from Germany, and the free re-importation into Germany, exempt from all customs duties and other charges (including internal charges), of yarns, tissues, and other textile materials or textile products of any kind and in any condition, sent from Germany into the territories of Alsace or Lorraine, to be subjected there to any finishing process, such as bleaching, dyeing, printing, mercerisation, gassing, twisting or dressing.

(b) During a period of three years from the coming into force of the present Treaty natural or manufactured products which both originate in and come from Polish territories which before the war were part of Germany shall, on importation into German customs territory, be exempt from all customs duty.

The Polish Government shall fix each year, by decree communicated to the German Government, the nature and amount of the products which shall enjoy this exemption.

The amount of each product which may be thus sent annually into Germany shall not exceed the average of the amounts sent annually in the years 1911-1913.

(c) The Allied and Associated Powers reserve the right to require Germany to accord freedom from customs duty, on importation into German customs territory, to natural products and manufactured articles which both originate in and come from the Grand Duchy of Luxemburg, for a period of five years from the coming into force of the present Treaty.

The nature and amount of the products which shall enjoy the benefits of this régime shall be communicated each year to the German Government.

The amount of each product which may be thus sent annually into Germany shall not exceed the average of the amounts sent annually in the years 1911-1913.

ARTICLE 269.

During the first six months after the coming into force of the present Treaty, the duties imposed by Germany on imports from Allied and Associated States shall not be higher than the most favourable duties which were applied to imports into Germany on July 31, 1914.

During a further period of thirty months after the expiration of the first six months, this provision shall continue to be applied exclusively with regard to products

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which, being comprised in Section A of the First Category of the German Customs Tariff of December 25, 1902, enjoyed at the above-mentioned date (July 31, 1914) rates conventionalised by treaties with the Allied and Associated Powers, with the addition of all kinds of wine and vegetable oils, of artificial silk and of washed or scoured wool, whether or not they were the subject of special conventions before July 31, 1914.

ARTICLE 270.

The Allied and Associated Powers reserve the right to apply to German territory occupied by their troops a special customs régime as regards imports and exports, in the event of such a measure being necessary in their opinion in order to safeguard the economic interests of the population of these territories.

CHAPTER II.

SHIPPING.

ARTICLE 271.

As regards sea fishing, maritime coasting trade, and maritime towage, vessels of the Allied and Associated Powers shall enjoy, in German territorial waters, the treatment accorded to vessels of the most favoured nation.

ARTICLE 272.

Germany agrees that, notwithstanding any stipulation to the contrary contained in the Conventions relating to the North Sea fisheries and liquor traffic, all rights of inspection and police shall, in the case of fishing-boats of the Allied Powers, be exercised solely by ships belonging to those Powers.

ARTICLE 273.

In the case of vessels of the Allied or Associated Powers, all classes of certificates or documents relating to the vessel, which were recognised as valid by Germany before the war, or which may hereafter be recognised as valid by the principal maritime States, shall be recognised by Germany as valid and as equivalent to the corresponding certificates issued to German vessels.

A similar recognition shall be accorded to the certificates and documents issued to their vessels by the Governments of new States, whether they have a sea-coast or not, provided that such certificates and documents shall be issued in conformity with the general practice observed in the principal maritime States.

The High Contracting Parties agree to recognise the flag flown by the vessels of an Allied or Associated Power having no sea-coast which are registered at some one specified place situated in its territory: such place shall serve as the port of registry of such vessels.

CHAPTER III.

UNFAIR COMPETITION.

ARTICLE 274.

Germany undertakes to adopt all the necessary legislative and administrative measures to protect goods the produce or manufacture of any one of the Allied and Associated Powers from all forms of unfair competition in commercial transactions.

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Germany undertakes to prohibit and repress by seizure and by other appropriate remedies the importation, exportation, manufacture, distribution, sale or offering for sale in its territory of all goods bearing upon themselves or their usual get-up or wrappings any marks, names, devices, or descriptions whatsoever which are calculated to convey directly or indirectly a false indication of the origin, type, nature, or special characteristics of such goods.

ARTICLE 275.

Germany undertakes on condition that reciprocity is accorded in these matters to respect any law, or any administrative or judicial decision given in conformity with such law, in force in any Allied or Associated State and duly communicated to her by the proper authorities, defining or regulating the right to any regional appellation in respect of wine or spirits produced in the State to which the region belongs, or the conditions under which the use of any such appellation may be permitted; and the importation, exportation, manufacture, distribution, sale or offering for sale of products or articles bearing regional appellations inconsistent with such law or order shall be prohibited by the German Government and repressed by the measures prescribed in the preceding Article.

CHAPTER IV.

TREATMENT OF NATIONALS OF ALLIED AND ASSOCIATED POWERS.

ARTICLE 276.

Germany undertakes:

(a) Not to subject the nationals of the Allied and Associated Powers to any prohibition in regard to the exercise of occupations, professions, trade and industry, which shall not be equally applicable to all aliens without exception;

(b) Not to subject the nationals of the Allied and Associated Powers in regard to the rights referred to in paragraph (a) to any regulation or restriction which might contravene directly or indirectly the stipulations of the said paragraph, or which shall be other or more disadvantageous than those which are applicable to nationals of the most favoured nation;

(c) Not to subject the nationals of the Allied and Associated Powers, their property, rights or interests, including companies and associations in which they are interested, to any charge, tax or impost, direct or indirect, other or higher than those which are or may be imposed on her own nationals or their property, rights or interests;

(d) Not to subject the nationals of any one of the Allied and Associated Powers to any restriction which was not applicable on July 1, 1914, to the nationals of such Powers unless such restriction is likewise imposed on her own nationals.

ARTICLE 277.

The nationals of the Allied and Associated Powers shall enjoy in German territory a constant protection for their persons and for their property, rights and interests, and shall have free access to the courts of law.

ARTICLE 278.

Germany undertakes to recognise any new nationality which has been or may be acquired by her nationals under the laws of the Allied and Associated Powers and in accordance with the decisions of the competent authorities of these Powers pursuant

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to naturalisation laws or under treaty stipulations, and to regard such persons as having, in consequence of the acquisition of such new nationality, in all respects severed their allegiance to their country of origin.

ARTICLE 279.

The Allied and Associated Powers may appoint consuls-general, consuls, vice-consuls, and consular agents in German towns and ports. Germany undertakes to approve the designation of the consuls-general, consuls, vice-consuls, and consular agents, whose names shall be notified to her, and to admit them to the exercise of their functions in conformity with the usual rules and customs.

CHAPTER V.

GENERAL ARTICLES.

ARTICLE 280.

The obligations imposed on Germany by Chapter I and by Articles 271 and 272 of Chapter II above shall cease to have effect five years from the date of the coming into force of the present Treaty, unless otherwise provided in the text, or unless the Council of the League of Nations shall, at least twelve months before the expiration of that period, decide that these obligations shall be maintained for a further period with or without amendment.

Article 276 of Chapter IV shall remain in operation, with or without amendment, after the period of five years for such further period, if any, not exceeding five years, as may be determined by a majority of the Council of the League of Nations.

ARTICLE 281.

If the German Government engages in international trade, it shall not in respect thereof have or be deemed to have any rights, privileges or immunities of sovereignty

SECTION II.

TREATIES.

ARTICLE 282.

From the coming into force of the present Treaty and subject to the provisions thereof the multilateral treaties, conventions and agreements of an economic or technical character enumerated below and in the subsequent Articles shall alone be applied as between Germany and those of the Allied and Associated Powers party thereto:

(1) Conventions of March 14, 1884, December 1, 1886, and March 23, 1887, and Final Protocol of July 7, 1887, regarding the protection of submarine cables.

(2) Convention of October 11, 1909, regarding the international circulation of motor-cars.

(3) Agreement of May 15, 1886, regarding the sealing of railway trucks subject to customs inspection, and Protocol of May 18, 1907.

(4) Agreement of May 15, 1886, regarding the technical standardisation of railways.

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(5) Convention of July 5, 1890, regarding the publication of customs tariffs and the organisation of an International Union for the publication of customs tariffs.

(6) Convention of December 31, 1913, regarding the unification of commercial statistics.

(7) Convention of April 25, 1907, regarding the raising of the Turkish customs tariff.

(8) Convention of March 14, 1857, for the redemption of toll dues on the Sound and Belts.

(9) Convention of June 22, 1861, for the redemption of the Stade Toll on the Elbe.

(10) Convention of July 16, 1863, for the redemption of the toll dues on the Scheldt.

(11) Convention of October 29, 1888, regarding the establishment of a definite arrangement guaranteeing the free use of the Suez Canal.

(12) Conventions of September 23, 1910, respecting the unification of certain regulations regarding collisions and salvage at sea.

(13) Convention of December 21, 1904, regarding the exemption of hospital ships from dues and charges in ports.

(14) Convention of February 4, 1898, regarding the tonnage measurement of vessels for inland navigation.

(15) Convention of September 26, 1906, for the suppression of nightwork for women.

(16) Convention of September 26, 1906, for the suppression of the use of white phosphorus in the manufacture of matches.

(17) Conventions of May 18, 1904, and May 4, 1910, regarding the suppression of the White Slave Traffic.

(18) Convention of May 4, 1910, regarding the suppression of obscene publications.

(19) Sanitary Conventions of January 30, 1892, April 15, 1893, April 3, 1894, March 19, 1897, and December 3, 1903.

(20) Convention of May 20, 1875, regarding the unification and improvement of the metric system.

(21) Convention of November 29, 1906, regarding the unification of pharmacopœial formulæ for potent drugs.

(22) Convention of November 16 and 19, 1885, regarding the establishment of a concert pitch.

(23) Convention of June 7, 1905, regarding the creation of an International Agricultural Institute at Rome.

(24) Conventions of November 3, 1881, and April 15, 1889, regarding precautionary measures against phylloxera.

(25) Convention of March 19, 1902, regarding the protection of birds useful to agriculture.

(26) Convention of June 12, 1902, as to the protection of minors.

ARTICLE 283.

From the coming into force of the present Treaty the High Contracting Parties shall apply the conventions and agreements hereinafter mentioned, in so far as concerns them, on condition that the special stipulations contained in this Article are fulfilled by Germany.

Postal Conventions:

Conventions and agreements of the Universal Postal Union concluded at Vienna, July 4, 1891.

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Conventions and agreements of the Postal Union signed at Washington, June 15, 1897.

Conventions and agreements of the Postal Union signed at Rome, May 26, 1906.

Telegraphic Conventions:

International Telegraphic Conventions signed at St. Petersburg, July 10-22, 1875.

Regulations and Tariffs drawn up by the International Telegraphic Conference, Lisbon, June 11, 1908.

Germany undertakes not to refuse her assent to the conclusion by the new States of the special arrangements referred to in the conventions and agreements relating to the Universal Postal Union and to the International Telegraphic Union, to which the said new States have adhered or may adhere.

ARTICLE 284.

From the coming into force of the present Treaty the High Contracting Parties shall apply, in so far as concerns them, the International Radio-Telegraphic Convention of July 5, 1912, on condition that Germany fulfils the provisional regulations which will be indicated to her by the Allied and Associated Powers.

If within five years after the coming into force of the present Treaty a new convention regulating international radio-telegraphic communications should have been concluded to take the place of the Convention of July 5, 1912, this new convention shall bind Germany, even if Germany should refuse either to take part in drawing up the convention, or to subscribe thereto.

This new convention will likewise replace the provisional regulations in force.

ARTICLE 285.

From the coming into force of the present Treaty, the High Contracting Parties shall apply in so far as concerns them and under the conditions stipulated in Article 272, the conventions hereinafter mentioned:

(1) The Conventions of May 6, 1882, and February 1, 1889, regulating the fisheries in the North Sea outside territorial waters.

(2) The Conventions and Protocols of November 16, 1887, February 14, 1893, and April 11, 1894, regarding the North Sea liquor traffic.

ARTICLE 286.

The International Convention of Paris of March 20, 1883, for the protection of industrial property, revised at Washington on June 2, 1911; and the International Convention of Berne of September 9, 1886, for the protection of literary and artistic works, revised at Berlin on November 13, 1908, and completed by the additional Protocol signed at Berne on March 20, 1914, will again come into effect as from the coming into force of the present Treaty, in so far as they are not affected or modified by the exceptions and restrictions resulting therefrom.

ARTICLE 287.

From the coming into force of the present Treaty the High Contracting Parties shall apply, in so far as concern them, the Convention of the Hague of July 17, 1905, relating to civil procedure. This renewal, however, will not apply to France, Portugal and Roumania.

ARTICLE 288.

The special rights and privileges granted to Germany by Article 3 of the Convention of December 2, 1899, relating to Samoa shall be considered to have terminated on August 4, 1914.

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ARTICLE 289.

Each of the Allied or Associated Powers, being guided by the general principles or special provisions of the present Treaty, shall notify to Germany the bilateral treaties or conventions which such Allied or Associated Power wishes to revive with Germany.

The notification referred to in the present Article shall be made either directly or through the intermediary of another Power. Receipt thereof shall be acknowledged in writing by Germany. The date of the revival shall be that of the notification.

The Allied and Associated Powers undertake among themselves not to revive with Germany any conventions or treaties which are not in accordance with the terms of the present Treaty.

The notification shall mention any provisions of the said conventions and treaties which, not being in accordance with the terms of the present Treaty, shall not be considered as revived.

In case of any difference of opinion, the League of Nations will be called on to decide.

A period of six months from the coming into force of the present Treaty is allowed to the Allied and Associated Powers within which to make the notification.

Only those bilateral treaties and conventions which have been the subject of such a notification shall be revived between the Allied and Associated Powers and Germany; all the others are and shall remain abrogated.

The above regulations apply to all bilateral treaties or conventions existing between all the Allied and Associated Powers signatories to the Present Treaty and Germany, even if the said Allied and Associated Powers have not been in a state of war with Germany.

ARTICLE 290.

Germany recognizes that all the treaties, conventions or agreements which she has concluded with Austria, Hungary, Bulgaria or Turkey since August 1, 1914, until the coming into force of the present Treaty are and remain abrogated by the present Treaty.

ARTICLE 291.

Germany undertakes to secure to the Allied and Associated Powers, and to the officials and nationals of the said Powers, the enjoyment of all the rights and advantages of any kind which she may have granted to Austria, Hungary, Bulgaria or Turkey, or to the officials and nationals of these States by treaties, conventions or arrangements concluded before August 1, 1914, so long as those treaties, conventions or arrangements remain in force.

The Allied and Associated Powers reserve the right to accept or not the enjoyment of these rights and advantages.

ARTICLE 292.

Germany recognizes that all treaties, conventions or arrangements which she concluded with Russia, or with any State or Government of which the territory previously formed a part of Russia, or with Roumania, before August 1, 1914, or after that date until the coming into force of the present Treaty are and remain abrogated.

ARTICLE 293.

Should an Allied or Associated Power, Russia, or a State or Government of which the territory formerly constituted a part of Russia, have been forced since August 1, 1914, by reason of military occupation or by any other means or for any other cause,

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to grant or to allow to be granted by the act of any public authority, concessions, privileges and favours of any kind to Germany or to a German national, such concessions, privileges and favours are *ipso facto* annulled by the present Treaty.

No claims or indemnities which may result from this annulment shall be charged against the Allied or Associated Powers or the Powers, States, Governments or public authorities which are released from their engagements by the present Article.

ARTICLE 294.

From the coming into force of the present Treaty Germany undertakes to give the Allied and Associated Powers and their nationals the benefit *ipso facto* of the rights and advantages of any kind which she has granted by treaties, conventions, or arrangements to non-belligerent States or their nationals since August 1, 1914, until the coming into force of the present Treaty, so long as those treaties, conventions or arrangements remain in force.

ARTICLE 295.

Those of the High Contracting Parties who have not yet signed, or who have signed but not yet ratified, the Opium Convention signed at The Hague on January 23, 1912, agree to bring the said Convention into force, and for this purpose to enact the necessary legislation without delay and in any case within a period of twelve months from the coming into force of the present Treaty.

Furthermore, they agree that ratification of the present Treaty should in the case of Powers which have not yet ratified the Opium Convention be deemed in all respects equivalent to the ratification of that Convention and to the signature of the Special Protocol which was opened at The Hague in accordance with the resolutions adopted by the Third Opium Conference in 1914 for bringing the said Convention into force.

For this purpose the Government of the French Republic will communicate to the Government of the Netherlands a certified copy of the protocol of the deposit of ratifications of the present Treaty, and will invite the Government of the Netherlands to accept and deposit the said certified copy as if it were a deposit of ratifications of the Opium Convention and a signature of the Additional Protocol of 1914.

SECTION III.

DEBTS.

ARTICLE 296.

There shall be settled through the intervention of Clearing Offices to be established by each of the High Contracting Parties within three months of the notification referred to in paragraph (e) hereafter the following classes of pecuniary obligations:

(1) Debts payable before the war and due by a national of one of the Contracting Powers, residing within its territory, to a national of an Opposing Power, residing within its territory;

(2) Debts which became payable during the war to nationals of one Contracting Power residing within its territory and arose out of transactions or contracts with the nationals of an Opposing Power, resident within its territory, of which the total or partial execution was suspended on account of the declaration of war;

(3) Interest which has accrued due before and during the war to a national of one of the Contracting Powers in respect of securities issued by an Opposing Power, provided that the payment of interest on such securities to the nationals of that Power or to neutrals has not been suspended during the war;

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(4) Capital sums which have become payable before and during the war to nationals of one of the Contracting Powers in respect of securities issued by one of the Opposing Powers, provided that the payment of such capital sums to nationals of that Power or to neutrals has not been suspended during the war.

The proceeds of liquidation of enemy property, rights and interests mentioned in Section IV and in the Annex thereto will be accounted for through the Clearing Offices, in the currency and at the rate of exchange hereinafter provided in paragraph (d), and disposed of by them under the conditions provided by the said Section and Annex.

The settlements provided for in this Article shall be effected according to the following principles and in accordance with the Annex to this Section:

(a) Each of the High Contracting Parties shall prohibit, as from the coming into force of the present Treaty, both the payment and the acceptance of payment of such debts, and also all communications between the interested parties with regard to the settlement of the said debts otherwise than through the Clearing Offices;

(b) Each of the High Contracting Parties shall be respectively responsible for the payment of such debts due by its nationals, except in the cases where before the war the debtor was in a state of bankruptcy or failure, or had given formal indication of insolvency or where the debt was due by a company whose business has been liquidated under emergency legislation during the war. Nevertheless, debts due by the inhabitants of territory invaded or occupied by the enemy before the Armistice will not be guaranteed by the States of which those territories form part;

(c) The sums due to the nationals of one of the High Contracting Parties by the nationals of an Opposing State will be debited to the Clearing Office of the country of the debtor, and paid to the creditor by the Clearing Office of the country of the creditor.

(d) Debts shall be paid or credited in the currency of such one of the Allied and Associated Powers, their colonies or protectorates, or the British Dominions or India, as may be concerned. If the debts are payable in some other currency they shall be paid or credited in the currency of the country concerned, whether an Allied or Associated Power, Colony, Protectorate, British Dominion or India, at the pre-war rate of exchange.

For the purpose of this provision the pre-war rate of exchange shall be defined as the average cable transfer rate prevailing in the Allied or Associated country concerned during the month immediately preceding the outbreak of war between the said country concerned and Germany.

If a contract provides for a fixed rate of exchange governing the conversion of the currency in which the debt is stated into the currency of the Allied or Associated country concerned, then the above provisions concerning the rate of exchange shall not apply.

In the case of new States the currency in which and the rate of exchange at which debts shall be paid or credited shall be determined by the Reparation Commission provided for in Part VIII (Reparation);

(e) The provisions of this Article and of the Annex hereto shall not apply as between Germany on the one hand and any one of the Allied and Associated Powers, their colonies or protectorates, or any one of the British Dominions or India on the other hand, unless within a period of one month from the deposit of the ratification of the present Treaty by the Power in question, or of the ratification on behalf of such Dominion or of India, notice to that effect is given to Germany by the Government of such Allied or Associated Power or of such Dominion or of India as the case may be;

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(f) The Allied and Associated Powers who have adopted this Article and the Annex hereto may agree between themselves to apply them to their respective nationals established in their territory so far as regards matters between their nationals and German nationals. In this case the payments made by application of this provision will be subject to arrangements between the Allied and Associated Clearing Offices concerned.

ANNEX.

1

Each of the High Contracting Parties will, within three months from the notification provided for in Article 296, paragraph (e), establish a Clearing Office for the collection and payment of enemy debts.

Local Clearing Offices may be established for any particular portion of the territories of the High Contracting Parties. Such local Clearing Offices may perform all the functions of a central Clearing Office in their respective districts, except that all transactions with the Clearing Office in the Opposing State must be effected through the central Clearing Office.

2

In this Annex the pecuniary obligations referred to in the first paragraph of Article 296 are described "as enemy debts," the persons from whom the same are due as "enemy debtors," the persons to whom they are due as "enemy creditors," the Clearing Office in the country of the creditor is called the "Creditor Clearing Office," and the Clearing Office in the country of the debtor is called the "Debtor Clearing Office."

3

The High Contracting Parties will subject contraventions of paragraph (a) of Article 296 to the same penalties as are at present provided by their legislation for trading with the enemy. They will similarly prohibit within their territory all legal process relating to payment of enemy debts, except in accordance with the provisions of this Annex.

4

The Government guarantee specified in paragraph (b) of Article 296 shall take effect whenever, for any reason, a debt shall not be recoverable, except in a case where at the date of the outbreak of the war the debt was barred by the laws of prescription in force in the country of the debtor, or where the debtor was at that time in a state of bankruptcy or failure or had given formal indication of insolvency, or where the debt was due by a company whose business has been liquidated under emergency legislation during the war. In such case the procedure specified by this Annex shall apply to payment of the dividends.

The terms "bankruptcy" and "failure" refer to the application of legislation providing for such juridical conditions. The expression "formal indication of insolvency" bears the same meaning as it has in English law.

5

Creditors shall give notice to the Creditor Clearing Office within six months of its establishments of debts due to them, and shall furnish the Clearing Office with any documents and information required of them.

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The High Contracting Parties will take all suitable measures to trace and punish collusion between enemy creditors and debtors. The Clearing Offices will communicate to one another any evidence and information which might help the discovery and punishment of such collusion.

The High Contracting Parties will facilitate as much as possible postal and telegraphic communication at the expense of the parties concerned and through the intervention of the Clearing Offices between debtors and creditors desirous of coming to an agreement as to the amount of their debt.

The Creditor Clearing Office will notify the Debtor Clearing Office of all debts declared to it. The Debtor Clearing Office will, in due course, inform the Creditor Clearing Office which debts are admitted and which debts are contested. In the latter case, the Debtor Clearing Office will give the grounds for the non-admission of debt.

6

When a debt has been admitted, in whole or in part, the Debtor Clearing Office will at once credit the Creditor Clearing Office with the amount admitted, and at the same time notify it of such credit.

7

The debt shall be deemed to be admitted in full and shall be credited forthwith to the Creditor Clearing Office unless within three months from the receipt of the notification or such longer time as may be agreed to by the Creditor Clearing Office notice has been given by the Debtor Clearing Office that it is not admitted.

8

When the whole or part of a debt is not admitted the two Clearing Offices will examine into the matter jointly and will endeavour to bring the parties to an agreement.

9

The Creditor Clearing Office will pay to the individual creditor the sums credited to it out of the funds placed at its disposal by the Government of its country and in accordance with the conditions fixed by the said Government, retaining any sums considered necessary to cover risks, expenses or commissions.

10

Any person having claimed payment of an enemy debt which is not admitted in whole or in part shall pay to the clearing office, by way of fine, interest at 5 per cent on the part not admitted. Any person having unduly refused to admit the whole or part of a debt claimed from him shall pay, by way of fine, interest at 5 per cent on the amount with regard to which his refusal shall be disallowed.

Such interest shall run from the date of expiration of the period provided for in paragraph 7 until the date on which the claim shall have been disallowed or the debt paid.

Each clearing Office shall in so far as it is concerned take steps to collect the fines above provided for, and will be responsible if such fines cannot be collected.

The fines will be credited to the other Clearing Office, which shall retain them as a contribution towards the cost of carrying out the present provisions.

11

The balance between the Clearing Offices shall be struck monthly and the credit balance paid in cash by the debtor State within a week.

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Nevertheless any credit balances which may be due by one or more of the Allied and Associated Powers shall be retained until complete payment shall have been effected of the sums due to the Allied or Associated Powers or their nationals on account of the war.

12

To facilitate discussion between the Clearing Offices each of them shall have a representative at the place where the other is established.

13

Except for special reasons all discussions in regard to claims will, so far as possible, take place at the Debtor Clearing Office.

14

In conformity with Article 296, paragraph (b), the High Contracting Parties are responsible for the payment of the enemy debts owing by their nationals.

The debtor Clearing Office will therefore credit the Creditor Clearing Office with all debts admitted, even in case of inability to collect them from the individual debtor. The Governments concerned will, nevertheless, invest their respective Clearing Offices with all necessary powers for the recovery of debts which have been admitted.

As an exception, the admitted debts owing by persons having suffered injury from acts of war shall only be credited to the Creditor Clearing Office when the compensation due to the person concerned in respect of such injury shall have been paid.

15

Each Government will defray the expenses of the Clearing Office set up in its territory, including the salaries of the staff.

16

Where the two Clearing Offices are unable to agree whether a debt claimed is due, or in case of a difference between an enemy debtor and an enemy creditor or between the Clearing Offices, the dispute shall either be referred to arbitration if the parties so agree under conditions fixed by agreement between them, or referred to the Mixed Arbitral Tribunal provided for in Section VI hereafter.

At the request of the Creditor Clearing Office the dispute may, however, be submitted to the jurisdiction of the Courts of the place of domicile of the debtor.

17

Recovery of sums found by the Mixed Arbitral Tribunal, the Court, or the Arbitration Tribunal to be due shall be effected through the Clearing Offices as if these sums were debts admitted by the Debtor Clearing Office.

18

Each of the Governments concerned shall appoint an agent who will be responsible for the presentation to the Mixed Arbitral Tribunal of the cases conducted on behalf of its Clearing Office. This agent will exercise a general control over the representatives or counsel employed by its nationals.

Decisions will be arrived at on documentary evidence, but it will be open to the Tribunal to hear the parties in person, or according to their preference by their representatives approved by the two Governments, or by the agent referred to above, who shall be competent to intervene along with the party or to re-open and maintain a claim abandoned by the same.

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The Clearing Offices concerned will lay before the Mixed Arbitral Tribunal all the information and documents in their possession, so as to enable the Tribunal to decide rapidly on the cases which are brought before it.

20

Where one of the parties concerned appeals against the joint decision of the two Clearing Offices he shall make a deposit against the costs, which deposit shall only be refunded when the first judgment is modified in favour of the appellant and in proportion to the success he may attain, his opponent in case of such a refund being required to pay an equivalent proportion of the costs and expenses. Security accepted by the Tribunal may be substituted for a deposit.

A fee of 5 per cent of the amount in dispute shall be charged in respect of all cases brought before the Tribunal. This fee shall, unless the Tribunal directs otherwise, be borne by the unsuccessful party. Such fee shall be added to the deposit referred to. It is also independent of the security.

The Tribunal may award to one of the parties a sum in respect of the expenses of the proceedings.

Any sum payable under this paragraph shall be credited to the Clearing Office of the successful party as a separate item.

21

With a view to the rapid settlement of claims, due regard shall be paid in the appointment of all persons connected with the Clearing Offices or with the Mixed Arbitral Tribunal to their knowledge of the language of the other country concerned.

Each of the Clearing Offices will be at liberty to correspond with the other and to forward documents in its own language.

22

Subject to any special agreement to the contrary between the Governments concerned, debts shall carry interest in accordance with the following provisions:

Interest shall not be payable on sums of money due by way of dividend, interest or other periodical payments which themselves represent interest on capital.

The rate of interest shall be 5 per cent per annum except in cases where, by contract, law or custom, the creditor is entitled to payment of interest at a different rate. In such cases the rate to which he is entitled shall prevail.

Interest shall run from the date of commencement of hostilities (or, if the sum of money to be recovered fell due during the war, from the date at which it fell due) until the sum is credited to the Clearing Office of the creditor.

Sums due by way of interest shall be treated as debts admitted by the Clearing Offices and shall be credited to the Creditor Clearing Office in the same way as such debts.

23

Where by decision of the Clearing Offices or the Mixed Arbitral Tribunal a claim is held not to fall within Article 296, the creditor shall be at liberty to prosecute the claim before the Courts or to take other proceedings as may be open to him.

The presentation of a claim to the Clearing Office suspends the operation of any period of prescription.

24

The High Contracting Parties agree to regard the decision of the Mixed Arbitral Tribunal as final and conclusive, and to render them binding upon their nationals.

In any case where a Creditor Clearing Office declines to notify a claim to the Debtor Clearing Office, or to take any step provided for in this Annex, intended to make effective in whole or in part a request of which it has received due notice, the enemy creditor shall be entitled to receive from the Clearing Office a certificate setting out the amount of the claim, and shall then be entitled to prosecute the claim before the courts or to take such other proceedings as may be open to him.

SECTION IV.

PROPERTY, RIGHTS AND INTERESTS.

ARTICLE 297.

The question of private property, rights and interests in an enemy country shall be settled according to the principles laid down in this Section and to the provisions of the Annex hereto.

(a) The exceptional war measures and measures of transfer (defined in paragraph 3 of the Annex hereto) taken by Germany with respect to the property, rights and interests of nationals of Allied or Associated Powers, including companies and associations in which they are interested, when liquidation has not been completed, shall be immediately discontinued or stayed and the property, rights and interests concerned restored to their owners, who shall enjoy full rights therein in accordance with the provisions of Article 298.

(b) Subject to any contrary stipulations which may be provided for in the present Treaty, the Allied and Associated Powers reserve the right to retain and liquidate all property, rights and interests belonging at the date of the coming into force of the present Treaty to German nationals, or companies controlled by them, within their territories, colonies, possessions and protectorates, including territories ceded to them by the present Treaty.

The liquidation shall be carried out in accordance with the laws of the Allied or Associated State concerned, and the German owner shall not be able to dispose of such property, rights or interests nor to subject them to any charge without the consent of that State.

German nationals who acquire *ipso facto* the nationality of an Allied or Associated Power in accordance with the provisions of the present Treaty will be considered as German nationals within the meaning of this paragraph.

(c) The price or the amount of compensation in respect of the exercise of the right referred to in the preceding paragraph (b) will be fixed in accordance with the methods of sale or valuation adopted by the laws of the country in which the property has been retained or liquidated.

(d) As between the Allied and Associated Powers or their nationals on the one hand and Germany or her nationals on the other hand, all the exceptional war measures or measures of transfer, or acts done or to be done in execution of such measures as defined in paragraphs 1 and 3 of the Annex hereto shall be considered as final and binding upon all persons except as regards the reservations laid down in the present Treaty.

(e) The nationals of Allied and Associated Powers shall be entitled to compensation in respect of damage or injury inflicted upon their property, rights or interests, including any company or association in which they are interested, in German territory as it existed on August 1, 1914, by the application either of the exceptional war

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measures or measures of transfer mentioned in paragraphs 1 and 3 of the Annex hereto. The claims made in this respect by such nationals shall be investigated, and the total of the compensation shall be determined by the Mixed Arbitral Tribunal provided for by Section VI or by the Arbitrator appointed by that Tribunal. This compensation shall be borne by Germany, and may be charged upon the property of German nationals within the territory or under the control of the claimant's State. This property may be constituted as a pledge for enemy liabilities under the conditions fixed by paragraph 4 of the Annex hereto. The payment of this compensation may be made by the Allied or Associated State, and the amount will be debited to Germany.

(f) Whenever a national of an Allied or Associated Power is entitled to property which has been subjected to a measure of transfer in German territory and expresses a desire for its restitution, his claim for compensation in accordance with paragraph (e) shall be satisfied by the restitution of the said property if it still exists in specie.

In such case Germany shall take all necessary steps to restore the evicted owner to the possession of his property, free from all encumbrances or burdens with which it may have been charged after the liquidation, and to indemnify all third parties injured by the restitution.

If the restitutions provided for in this paragraph cannot be effected, private agreements arranged by the intermediation of the Powers concerned or the Clearing Offices provided for in the Annex to Section III may be made, in order to secure that the national of the Allied or Associated Power may secure compensation for the injury referred to in paragraph (e) by the grant of advantages or equivalents which he agrees to accept in place of the property, rights or interests of which he was deprived.

Through restitution in accordance with this Article, the price or the amount of compensation fixed by the application of paragraph (e) will be reduced by the actual value of the property restored, account being taken of compensation in respect of loss of use or deterioration.

(g) The rights conferred by paragraph (f) are reserved to owners who are nationals of Allied or Associated Powers within whose territory legislative measures prescribing the general liquidation of enemy property, rights or interests were not applied before the signature of the Armistice.

(h) Except in cases where, by application of paragraph (f), restitutions in specie have been made, the net proceeds of sales of enemy property, rights or interests wherever situated carried out either by virtue of war legislation, or by application of this Article, and in general all cash assets of enemies, shall be dealt with as follows:

(1) As regards Powers adopting Section III and the Annex thereto, the said proceeds and cash assets shall be credited to the Power of which the owner is a national, through the Clearing Office established thereunder: any credit balance in favour of Germany resulting therefrom shall be dealt with as provided in Article 243.

(2) As regards Powers not adopting Section III and the Annex thereto, the proceeds of the property, rights and interests, and the cash assets, of the nationals of Allied or Associated Powers held by Germany shall be paid immediately to the person entitled thereto or to his Government; the proceeds of the property, rights and interests, and the cash assets, of German nationals received by an Allied or Associated Power shall be subject to disposal by such Power in accordance with its laws and regulations and may be applied in payment of the claims and debts defined by this Article or paragraph 4 of the Annex hereto. Any property, rights and interests or proceeds thereof or cash assets not used as above provided may be retained by the said Allied or Associated Power and if retained the cash value thereof shall be dealt with as provided in Article 243.

In the case of liquidation effected in new States, which are signatories of the present Treaty as Allied and Associated Powers, or in States which are not entitled

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to share in the reparation payments to be made by Germany, the proceeds of liquidations effected by such States shall, subject to the rights of the Reparation Commission under the present Treaty, particularly under Articles 235 and 260, be paid direct to the owner. If on the application of that owner, the Mixed Arbitral Tribunal, provided for by Section VI of this Part, or an arbitrator appointed by that Tribunal, is satisfied that the conditions of the sale or measures taken by the Government of the State in question outside its general legislation were unfairly prejudicial to the price obtained, they shall have discretion to award to the owner equitable compensation to be paid by the State.

(i) Germany undertakes to compensate her nationals in respect of the sale or retention of their property, rights or interests in Allied or Associated States.

(j) The amount of all taxes and imports upon capital levied or to be levied by Germany on the property, rights and interests of the nationals of the Allied or Associated Powers from November 11, 1918, until three months from the coming into force of the present Treaty, or, in the case of property, rights or interests which have been subjected to exceptional measures of war, until restitution in accordance with the present Treaty, shall be restored to the owners.

ARTICLE 298.

Germany undertakes, with regard to the property, rights and interests, including companies and associations in which they were interested, restored to nationals of Allied and Associated Powers in accordance with the provisions of Article 297, paragraph (a) or (f):

(a) to restore and maintain, except as expressly provided in the present Treaty, the property, rights and interests of the nationals of Allied or Associated Powers in the legal position obtained in respect of the property, rights and interests of German nationals under the laws in force before the war;

(b) not to subject the property, rights or interests of the nationals of the Allied or Associated Powers to any measures in derogation of property rights which are not applied equally to the property, rights and interests of German nationals, and to pay adequate compensations in the event of the application of these measures.

ANNEX.

1.

In accordance with the provisions of Article 297, paragraph (a), the validity of vesting orders and of orders for the winding up of businesses or companies, and of any other orders, directors, decisions or instructions of any court or any department of the Government of any of the High Contracting Parties made or given, or purporting to be made or given, in pursuance of war legislation with regard to enemy property, rights and interests is confirmed. The interests of all persons shall be regarded as having been effectively dealt with by any order, direction, decision or instruction dealing with property in which they may be interested, whether or not such interests are specifically mentioned in the order, direction, decision, or instruction. No question shall be raised as to the regularity of a transfer of any property, rights or interests dealt with in pursuance of any such order, direction, decision or instruction. Every action taken with regard to any property, business, or company, whether as regards its investigation, sequestration, compulsory administration, use, requisition, supervision, or winding up, the sale or management of property, rights or interests, the collection or discharge of debts, the payment of costs, charges or

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expenses, or any other matter whatsoever, in pursuance of orders, directions, decisions, or instructions of any court or of any department of the Government of any of the High Contracting Parties, made or given, or purporting to be made or given, in pursuance of war legislation with regard to enemy property, rights or interests, is confirmed. Provided that the provisions of this paragraph shall not be held to prejudice the titles to property heretofore acquired in good faith and for value and in accordance with the laws of the country in which the property is situated by nationals of the Allied and Associated Powers.

The provisions of this paragraph do not apply to such of the above-mentioned measures as have been taken by the German authorities in invaded or occupied territory, nor to such of the above-mentioned measures as have been taken by Germany or the German authorities since November 11, 1918, all of which shall be void.

2

No claim or action shall be made or brought against any Allied or Associated Power or against any person acting on behalf of or under the direction of any legal authority or department of the Government of such a Power by Germany or by any German national wherever resident in respect of any act or omission with regard to his property, rights or interests during the war or in preparation for the war. Similarly no claim or action shall be made or brought against any person in respect of any act or omission under or in accordance with the exceptional war measures, laws or regulations of any Allied or Associated Power.

3

In Article 297 and this Annex the expression "exceptional war measures" includes measures of all kinds, legislative, administrative, judicial or others, that have been taken or will be taken hereafter with regard to enemy property and which have had or will have the effect of removing from the proprietors the power of disposition over their property, though without affecting the ownership, such as measures of supervision, of compulsory administration, and of sequestration; or measures which have had or will have as an object the seizure of, the use of, or the interference with enemy assets, for whatsoever motive, under whatsoever form or in whatsoever place. Acts in the execution of these measures include all detentions, instructions, orders or decrees of Government departments or courts applying these measures to enemy property, as well as acts performed by any person connected with the administration or the supervision of enemy property, such as the payment of debts, the collecting of credits, the payment of any costs, charges or expenses, or the collecting of fees.

Measures of transfer are those which have affected or will affect the ownership of enemy property by transferring it in whole or in part to a person other than the enemy owner, and without his consent, such as measures directing the sale, liquidation, or devolution of ownership in enemy property, or the cancelling of titles or securities.

4.

All property, rights and interests of German nationals within the territory of any Allied or Associated Power and the net proceeds of their sale, liquidation or other dealing therewith may be charged by that Allied or Associated Power in the first place with payment of amounts due in respect of claims by the nationals of that Allied or Associated Power with regard to their property, rights and interests, including companies and associations in which they are interested, in German territory, or debts owing to them by German nationals, and with payment of claims growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and before that Allied or Associated Power entered into the war. The amount of such claims may

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be assessed by an arbitrator appointed by Mr. Gustav Ador, if he is willing, or if no such appointment is made by him, by an arbitrator appointed by the Mixed Arbitral Tribunal provided for in Section VI. They may be charged in the second place with payment of the amounts due in respect of claims by the nationals of such Allied or Associated Power with regard to their property, rights and interests in the territory of other enemy Powers, in so far as those claims are otherwise unsatisfied.

5.

Notwithstanding the provisions of Article 297, where immediately before the outbreak of war a company incorporated in an Allied or Associated State had the rights in common with a company controlled by it and incorporated in Germany to the use of trade-marks in third countries or enjoyed the use in common with such company of unique means of reproduction of goods or articles for sale in third countries, the former company shall alone have the right to use these trade-marks in third countries to the exclusion of the German company, and these unique means of reproduction shall be handed over to the former company, notwithstanding any action taken under German war legislation with regard to the later company or its business, industrial property or shares. Nevertheless, the former company, if requested, shall deliver to the latter company derivative copies permitting the continuation of reproduction of articles for use within German territory.

6.

Up to the time when restitution is carried out in accordance with Article 297, Germany is responsible for the conservation of property, rights and interests of the nationals of Allied or Associated Powers, including companies and associations in which they are interested, that have been subjected by her to exceptional war measures.

7.

Within one year from the coming into force of the present Treaty the Allied or Associated Powers will specify the property, rights and interests over which they intend to exercise the right provided in Article 297, paragraph (f).

8.

The restitution provided in Article 297 will be carried out by order of the German Government or of the authorities which have been substituted for it. Detailed accounts of the action of administrators shall be furnished to the interested persons by the German authorities upon request, which may be had at any time after the coming into force of the present Treaty.

9.

Until completion of the liquidation provided for by Article 297, paragraph (b), the property, rights and interests of German nationals will continue to be subject to exceptional war measures that have been or will be taken with regard to them.

10.

Germany will, within six months from the coming into force of the present Treaty, deliver to each Allied or Associated Power all securities, certificates, deeds, or other documents of title held by its nationals and relating to property, rights or interests situated in the territory of that Allied or Associated Power, including any shares, stock, debentures, debenture stock, or other obligations of any company incorporated in accordance with the laws of that Power.

Germany will at any time on demand of any Allied or Associated Power furnish such information as may be required with regard to the property, rights and interests of

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German nationals within the territory of such Allied or Associated Power, or with regard to any transactions concerning such property, rights or interests effected since July 1, 1914.

11.

The expression "cash assets" includes all deposits or funds established before or after the declaration of war, as well as all assets coming from deposits, revenues, or profits collected by administrators, sequestrators, or others from funds placed on deposit or otherwise, but does not include sums belonging to the Allied or Associated Powers or to their component States, Provinces, or Municipalities.

12.

All investments wheresoever effected with the cash assets of nationals of the High Contracting Parties, including companies and associations in which such nationals were interested, by persons responsible for the administration of enemy properties or having control over such administration, or by order of such persons or of any authority whatsoever shall be annulled. These cash assets shall be accounted for irrespective of any such investment.

13.

Within one month from the coming into force of the present Treaty, or on demand at any time, Germany will deliver to the Allied and Associated Powers all accounts, vouchers, records, documents and information of any kind which may be within German territory, and which concern the property, rights and interests of the nationals of those Powers, including companies and associations in which they are interested, that have been subjected to an exceptional war measure, or to a measure of transfer either in German territory or in territory occupied by Germany or her allies.

The controllers, supervisors, managers, administrators, sequestrators, liquidators and receivers shall be personally responsible under guarantee of the German Government for the immediate delivery in full of these accounts and documents, and for their accuracy.

14.

The provisions of Article 297 and this Annex relating to property, rights and interests in an enemy country, and the proceeds of the liquidation thereof, apply to debts, credits and accounts, Section III regulating only the method of payment.

In the settlement of matters provided for in Article 297 between Germany and the Allied or Associated States, their colonies or protectorates, or any one of the British Dominions or India, in respect of any of which a declaration shall not have been made that they adopt Section III, and between their respective nationals, the provisions of Section III respecting the currency in which payment is to be made and the rate of exchange and of interest shall apply unless the Government of the Allied or Associated Power concerned shall within six months of the coming into force of the present Treaty notify Germany that the said provisions are not to be applied.

15.

The provisions of Article 297 and this Annex apply to industrial, literary and artistic property which has been or will be dealt with in the liquidation of property, rights, interests, companies or businesses under war legislation by the Allied or Associated Powers, or in accordance with the stipulations of Article 297, paragraph (b).

SECTION V.

CONTRACTS, PRESCRIPTIONS, JUDGMENTS.

ARTICLE 299.

(a) Any contract concluded between enemies shall be regarded as having been dissolved as from the time when any two of the parties became enemies, except in respect of any debt or other pecuniary obligation arising out of any act done or money paid thereunder, and subject to the exceptions and special rules with regard to particular contracts or classes of contracts contained herein or in the Annex hereto.

(b) Any contract of which the execution shall be required in the general interest, within six months from the date of the coming into force of the present Treaty, by the Allied or Associated Governments of which one of the parties is a national, shall be excepted from dissolution under this Article.

When the execution of the contract thus kept alive would, owing to the alteration of trade conditions, cause one of the parties substantial prejudice the Mixed Arbitral Tribunal provided for by Section VI shall be empowered to grant to the prejudiced party equitable compensation.

(c) Having regard to the provisions of the constitution and law of the United States of America, of Brazil, and of Japan, neither the present Article, nor Article 300, nor the Annex hereto shall apply to contracts made between nationals of these States and German nationals; nor shall Article 305 apply to the United States of America or its nationals.

(d) The Present Article and the annex hereto shall not apply to contracts the parties to which became enemies by reason of one of them being an inhabitant of territory of which the sovereignty has been transferred, if such party shall acquire under the present Treaty the nationality of an Allied or Associated Power, nor shall they apply to contracts between nationals of the Allied and Associated Powers between whom trading has been prohibited by reason of one of the parties being in Allied or Associated territory in the occupation of the enemy.

(e) Nothing in the present Article or the annex hereto shall be deemed to invalidate a transaction lawfully carried out in accordance with a contract between enemies if it has been carried out with the authority of one of the belligerent Powers.

ARTICLE 300.

(a) All periods of prescription, or limitation of right of action, whether they began to run before or after the outbreak of war, shall be treated in the territory of the High Contracting Parties, so far as regards relations between enemies, as having been suspended for the duration of the war. They shall begin to run again at earliest three months after the coming into force of the present Treaty. This provision shall apply to the period prescribed for the presentation of interest or dividend coupons or for the presentation for repayment of securities drawn for repayment or repayable on any other ground.

(b) Where, on account of failure to perform any act or comply with any formality during the war, measures of execution have been taken in German territory to the prejudice of a national of an Allied or Associated Power, the claim of such national shall, if the matter does not fall within the competence of the Courts of an Allied or Associated Power, be heard by the Mixed Arbitral Tribunal provided for by Section VI.

(c) Upon the application of any interested person who is a national of an Allied or Associated Power the Mixed Arbitral Tribunal shall order the restoration of the rights which have been prejudiced by the measures of execution referred to in paragraph (b), wherever, having regard to the particular circumstances of the case, such restoration is equitable and possible.

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If such restoration is inequitable or impossible the Mixed Arbitral Tribunal may grant compensation to the prejudiced party to be paid by the German Government.

(d) Where a contract between enemies has been dissolved by reason either of failure on the part of either party to carry out its provisions or of the exercise of a right stipulated in the contract itself the party prejudiced may apply to the Mixed Arbitral Tribunal for relief. The Tribunal will have the powers provided for in paragraph (c).

(e) The provisions of the preceding paragraphs of this Article shall apply to the nationals of Allied and Associated Powers who have been prejudiced by reason of measures referred to above taken by Germany in invaded or occupied territory, if they have not been otherwise compensated.

(f) Germany shall compensate any third party who may be prejudiced by any restitution or restoration ordered by the Mixed Arbitral Tribunal under the provisions of the preceding paragraphs of this Article.

(g) As regards negotiable instruments, the period of three months provided under paragraph (a) shall commence as from the date on which any exceptional regulations applied in the territories of the interested Power with regard to negotiable instruments shall have definitely ceased to have force.

ARTICLE 301.

As between enemies no negotiable instrument made before the war shall be deemed to have become invalid by reason only of failure within the required time to present the instrument for acceptance or payment or to give notice of non-acceptance or non-payment to drawers or indorsers or to protest the instrument, nor by reason of failure to complete any formality during the war.

Where the period within which a negotiable instrument should have been presented for acceptance or for payment, or within which notice of non-acceptance or non-payment should have been given to the drawer or indorser; or within which the instrument should have been protested, has elapsed during the war, and the party who should have presented or protested the instrument or have given notice of non-acceptance or non-payment has failed to do so during the war, a period of not less than three months from the coming into force of the present Treaty shall be allowed within which presentation, notice of non-acceptance or non-payment or protest may be made.

ARTICLE 302.

Judgments given by the Courts of an Allied or Associated Power in all cases which, under the present Treaty, they are competent to decide, shall be recognised in Germany as final, and shall be enforced without it being necessary to have them declared executory.

If a judgment in respect of any dispute which may have arisen has been given during the war by a German Court against a national of an Allied or Associated State in a case in which he was not able to make his defence, the Allied or Associated national who has suffered prejudice thereby shall be entitled to recover compensation, to be fixed by the Mixed Arbitral Tribunal provided for in Section VI.

At the instance of the national of the Allied or Associated Power the compensation above-mentioned may, upon order to that effect of the Mixed Arbitral Tribunal, be effected where it is possible by replacing the parties in the situation which they occupied before the judgment was given by the German Court.

The above compensation may likewise be obtained before the Mixed Arbitral Tribunal by the nationals of Allied or Associated Powers who have suffered prejudice by judicial measures taken in invaded or occupied territories, if they have not been otherwise compensated.

ARTICLE 303.

For the purpose of Sections III, IV, V and VII, the expression "during the war" means for each Allied or Associated Power the period between the commencement of the state of war between that Power and Germany and the coming into force of the present Treaty.

ANNEX.

I. *General Provisions.*

1.

Within the meaning of Articles 299, 300 and 301, the parties to a contract shall be regarded as enemies when trading between them shall have been prohibited by or otherwise became unlawful under laws, orders or regulations to which one of those parties was subject. They shall be deemed to have become enemies from the date when such trading was prohibited or otherwise became unlawful.

2.

The following classes of contracts are excepted from dissolution by Article 299 and, without prejudice to the rights contained in Article 297 (b) of Section IV, remain in force subject to the application of domestic laws, orders or regulations made during the war by the Allied and Associated Powers and subject to the terms of the contracts:

(a) Contracts having for their object the transfer of estates or of real or personal property where the property therein had passed or the object had been delivered before the parties became enemies;

(b) Leases and agreements for leases of land and houses;

(c) Contracts of mortgage, pledge or lien;

(d) Concessions concerning mines, quarries or deposits;

(e) Contracts between individuals or companies and States, provinces, municipalities, or other similar juridical persons charged with administrative functions, and concession granted by States, provinces, municipalities, or other similar juridical persons charged with administrative functions.

3.

If the provisions of a contract are in part dissolved under Article 299, the remaining provisions of that contract shall, subject to the same application of domestic laws as is provided for in paragraph 2, continue in force if they are severable, but where they are not severable the contract shall be deemed to have been dissolved in its entirety.

II. *Provisions relating to certain classes of Contracts.**Stock Exchange and Commercial Exchange Contracts.*

4.

(a) Rules made during the war by any recognized Exchange or Commercial Association providing for the closure of contracts entered into before the war by an

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enemy are confirmed by the High Contracting Parties, as also any action taken thereunder, provided:

- (1) That the contract was expressed to be made subject to the rules of the Exchange or Association in question;
- (2) That the rules applied to all persons concerned;
- (3) That the conditions attaching to the closure were fair and reasonable.

(b) The preceding paragraph shall not apply to rules made during the occupation by Exchanges or Commercial Associations in the districts occupied by the enemy.

(c) The closure of contracts relating to cotton "futures," which were closed as on July 31, 1914, under the decision of the Liverpool Cotton Association, is also confirmed.

Security.

5.

The sale of a security held for an unpaid debt owing by an enemy shall be deemed to have been valid irrespective of notice to the owner if the creditor acted in good faith and with reasonable care and prudence, and no claim by the debtor on the ground of such sale shall be admitted.

This stipulation shall not apply to any sale of securities effected by an enemy during the occupation in regions invaded or occupied by the enemy.

Negotiable Instruments.

6.

As regards Powers which adopt Section III and the Annex thereto the pecuniary obligations existing between enemies and resulting from the issue of negotiable instruments shall be adjusted in conformity with the said Annex by the instrumentality of the Clearing Offices, which shall assume the rights of the holder as regards the various remedies open to him.

7.

If a person has either before or during the war become liable upon a negotiable instrument in accordance with an undertaking given to him by a person who has subsequently become an enemy, the latter shall remain liable to indemnify the former in respect of his liability notwithstanding the outbreak of war.

III. Contracts of Insurance.

8.

Contracts of insurance entered into by any person with another person who subsequently became an enemy will be dealt with in accordance with the following paragraphs.

Fire Insurance.

9.

Contracts for the insurance of property against fire entered into by a person interested in such property with another person who subsequently became an enemy shall not be deemed to have been dissolved by the outbreak of war, or by the fact of the person becoming an enemy, or on account of the failure during the war and for a

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period of three months thereafter to perform his obligations under the contract, but they shall be dissolved at the date when the annual premium becomes payable for the first time after the expiration of a period of three months after the coming into force of the present Treaty.

A settlement shall be effected of unpaid premiums which became due during the war, or of claims for losses which occurred during the war.

10.

Where by administrative or legislative action an insurance against fire effected before the war has been transferred during the war from the original to another insurer, the transfer will be recognized and the liability of the original insurer will be deemed to have ceased as from the date of the transfer. The original insurer will, however, be entitled to receive on demand full information as to the terms of the transfer, and if it should appear that these terms were not equitable they shall be amended so far as may be necessary to render them equitable.

Furthermore, the insured shall, subject to the concurrence of the original insurer, be entitled to retransfer the contract to the original insurer as from the date of demand.

Life Insurance.

11.

Contracts of life insurance entered into between an insurer and a person who subsequently became an enemy shall not be deemed to have been dissolved by the outbreak of war, or by the fact of the person becoming an enemy.

Any sum which during the war became due upon a contract deemed not to have been dissolved under the preceding provision shall be recoverable after the war with the addition of interest at five per cent per annum from the date of its becoming due up to the day of payment.

Where the contract has lapsed during the war owing to non-payment of premiums, or has become void from breach of the conditions of the contract, the assured or his representatives or the person entitled shall have the right at any time within twelve months of the coming into force of the present Treaty to claim from the insurer the surrender value of the policy at the date of its lapse or avoidance.

Where the contract has lapsed during the war owing to non-payment of premiums the payment of which has been prevented by the enforcement of measures of war, the assured or his representative or the persons entitled shall have the right to restore the contract on payment of the premiums with interest at five per cent per annum within three months from the coming into force of the present Treaty.

12.

Any Allied or Associated Power may within three months of the coming into force of the present Treaty cancel all the contracts of insurance running between a German insurance company and its nationals under conditions which shall protect its nationals from any prejudice.

To this end the German insurance company will hand over to the Allied or Associated Government concerned the proportion of its assets attributable to the policies so cancelled and will be relieved from all liability in respect of such policies. The assets to be handed over shall be determined by an actuary appointed by the Mixed Arbitral Tribunal.

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13.

Where contracts of life insurance have been entered into by a local branch of an insurance company established in a country which subsequently became an enemy country, the contract shall, in the absence of any stipulation to the contrary in the contract itself, be governed by the local law, but the insurer shall be entitled to demand from the insured or his representatives the refund of sums paid on claims made or enforced under measures taken during the war, if the making or enforcement of such claims was not in accordance with the terms of the contract itself or was not consistent with the law or treaties existing at the time when it was entered into.

14.

In any case where by the law applicable to the contract the insurer remains bound by the contract notwithstanding the non-payment of premiums until notice is given to the insured of the termination of the contract he shall be entitled where the giving of such notice was prevented by the war to recover the unpaid premiums with interest at five per cent per annum from the insured.

15.

Insurance contracts shall be considered as contracts of life assurance for the purpose of paragraphs 11 to 14 when they depend on the probabilities of human life combined with the rate of interest for the calculation of the reciprocal engagements between the two parties.

Marine Insurance.

16.

Contracts of marine insurance including time policies and voyage policies entered into between an insurer and a person who subsequently became an enemy, shall be deemed to have been dissolved on his becoming an enemy, except in cases where the risk undertaken in the contract had attached before he became an enemy.

Where the risk had not attached, money paid by way of premium or otherwise shall be recoverable from the insurer.

Where the risk had attached effect shall be given to the contract notwithstanding the party becoming an enemy, and sums due under the contract either by way of premiums or in respect of losses shall be recoverable after the coming into force of the present Treaty.

In the event of any agreement being come to for the payment of interest on sums due before the war to or by the nationals of States which have been at war and recovered after the war, such interest shall in the case of losses recoverable under contracts of marine insurance run from the expiration of a period of one year from the date of the loss.

17.

No contract of marine insurance with an insured person who subsequently became an enemy shall be deemed to cover losses due to belligerent action by the Power of which the insurer was a national or by the allies or associates of such Power.

18.

Where it is shown that a person who had before the war entered into a contract of marine insurance with an insurer who subsequently became an enemy entered after the outbreak of war into a new contract covering the same risk with an insurer who

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was not an enemy, the new contract shall be deemed to be substituted for the original contract as from the date when it was entered into, and the premiums payable shall be adjusted on the basis of the original insurer having remained liable on the contract only up till the time when the new contract was entered into.

Other Insurance.

19.

Contracts of insurance entered into before the war between an insurer and a person who subsequently became an enemy, other than contracts dealt with in paragraphs 9 to 18, shall be treated in all respects on the same footing as contracts of fire insurance between the same persons would be dealt with under the said paragraphs.

Re-insurance.

20.

All treaties of re-insurance with a person who became an enemy shall be regarded as having been abrogated by the person becoming an enemy, but without prejudice in the case of life or marine risks which had attached before the war to the right to recover payment after the war for sums due in respect of such risks.

Nevertheless if, owing to invasion, it has been impossible for the re-insured to find another re-insurer, the treaty shall remain in force until three months after the coming into force of the present Treaty.

Where a re-insurance treaty becomes void under this paragraph, there shall be an adjustment of accounts between the parties in respect both of premiums paid and payable and of liabilities for losses in respect of life or marine risks which had attached before the war. In the case of risks other than those mentioned in paragraphs 11 to 18 the adjustment of accounts shall be made as at the date of the parties becoming enemies without regard to claims for losses which may have occurred since that date.

21.

The provisions of the preceding paragraph will extend equally to re-insurance existing at the date of the parties becoming enemies of particular risks undertaken by the insurer in a contract of insurance against any risks other than life or marine risks.

22.

Re-insurance of life risks effected by particular contracts and not under any general treaty remain in force.

The provisions of paragraph 12 apply to treaties of re-insurance of life insurance contracts in which enemy companies are the re-insurers.

23.

In case of a re-insurance effected before the war of a contract of marine insurance, the cession of a risk which had been ceded to the re-insurer shall, if it had attached before the outbreak of war, remain valid and effect be given to the contract notwithstanding the outbreak of war; sums due under the contract of re-insurance in respect either of premiums or of losses shall be recoverable after the war.

24.

The provisions of paragraphs 17 and 18 and the last part of paragraph 16 shall apply to contracts for the re-insurance of marine risks.

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SECTION VI.

MIXED ARBITRAL TRIBUNAL.

ARTICLE 304.

(a) Within three months from the date of the coming into force of the present Treaty, a Mixed Arbitral Tribunal shall be established between each of the Allied and Associated Powers on the one hand and Germany on the other hand. Each such Tribunal shall consist of three members. Each of the Governments concerned shall appoint one of these members. The President shall be chosen by agreement between the two Governments concerned.

In case of failure to reach agreement, the President of the Tribunal and two other persons either of whom may in case of need take his place, shall be chosen by the Council of the League of Nations, or, until this is set up, by M. Gustave Ador if he is willing. These persons shall be nationals of Powers that have remained neutral during the war.

If any Government does not proceed within a period of one month in case there is a vacancy to appoint a member of the Tribunal, such member shall be chosen by the other Government from the two persons mentioned above other than the President.

The decision of the majority of the members of the Tribunal shall be the decision of the Tribunal.

(b) The Mixed Arbitral Tribunals established pursuant to paragraph (a), shall decide all questions within their competence under Sections III, IV, V, and VII.

In addition, all questions, whatsoever their nature, relating to contracts concluded before the coming into force of the present Treaty between nationals of the Allied and Associated Powers and German nationals shall be decided by the Mixed Arbitral Tribunal, always excepting questions which, under the laws of the Allied, Associated or Neutral Powers, are within the jurisdiction of the National Courts of those Powers. Such questions shall be decided by the National Courts in question, to the exclusion of the Mixed Arbitral Tribunal. The party who is a national of an Allied or Associated Power may nevertheless bring the case before the Mixed Arbitral Tribunal if this is not prohibited by the laws of his country.

(c) If the number of cases justifies it, additional members shall be appointed and each Mixed Arbitral Tribunal shall sit in divisions. Each of these divisions will be constituted as above.

(d) Each Mixed Arbitral Tribunal will settle its own procedure except in so far as it is provided in the following Annex and is empowered to award the sums to be paid by the loser in respect of the costs and expenses of the proceedings.

(e) Each Government will pay the remuneration of the member of the Mixed Arbitral Tribunal appointed by it and of any agent whom it may appoint to represent it before the Tribunal. The remuneration of the President will be determined by special agreement between the Governments concerned; and this remuneration and the joint expenses of each Tribunal will be paid by the two Governments in equal moieties.

(f) The High Contracting Parties agree that their courts and authorities shall render to the Mixed Arbitral Tribunals direct all the assistance in their power, particularly as regards transmitting notices and collecting evidence.

(g) The High Contracting Parties agree to regard the decisions of the Mixed Arbitral Tribunal as final and conclusive, and to render them binding upon their nationals.

ANNEX.

1

Should one of the members of the Tribunal either die, retire, or be unable for any reason whatever to discharge his functions, the same procedure will be followed for filling the vacancy as was followed for appointing him.

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2

The Tribunal may adopt such rules of procedure as shall be in accordance with justice and equity and decide the order and time at which each party must conclude its arguments, and may arrange all formalities required for dealing with the evidence.

3

The agent and counsel of the parties on each side are authorized to present orally and in writing to the Tribunal arguments in support or in defence of each case.

4

The Tribunal shall keep record of the questions and cases submitted and the proceedings thereon, with the dates of such proceedings.

5

Each of the powers concerned may appoint a secretary. These secretaries shall act together as joint secretaries of the tribunal and shall be subject to its direction. The Tribunal may appoint and employ any other necessary officer or officers to assist in the performance of its duties.

6

The Tribunal shall decide all questions and matters submitted upon such evidence and information as may be furnished by the parties concerned.

7

Germany agrees to give the Tribunal all facilities and information required by it for carrying out its investigations.

8

The language in which the proceedings shall be conducted shall, unless otherwise agreed, be English, French, Italian or Japanese, as may be determined by the Allied or Associated Power concerned.

9

The place and time for the meetings of each Tribunal shall be determined by the President of the Tribunal.

ARTICLE 305.

Whenever a competent court has given or gives a decision in a case covered by Sections III, IV, V or VII, and such decision is inconsistent with the provisions of such Sections, the party who is prejudiced by the decision shall be entitled to obtain redress which shall be fixed by the Mixed Arbitral Tribunal. At the request of the national of an Allied or Associated Power, the redress may, whenever possible, be effected by the Mixed Arbitral Tribunal directing the replacement of the parties in the position occupied by them before the judgment was given by the German court

SECTION VII.

INDUSTRIAL PROPERTY.

ARTICLE 306.

Subject to the stipulations of the present Treaty, rights of industrial, literary and artistic property, as such property is defined by the International Conventions of Paris and of Berne, mentioned in Article 286, shall be re-established or restored, as

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from the coming into force of the present Treaty, in the territories of the High Contracting Parties, in favour of the persons entitled to the benefit of them at the moment when the state of war commenced or their legal representatives. Equally, rights which, except for the war, would have been acquired during the war in consequence of an application made for the protection of industrial property, or the publication of a literary or artistic work, shall be recognized and established in favour of those persons who would have been entitled thereto, from the coming into force of the present Treaty.

Nevertheless, all acts done by virtue of the special measures taken during the war under legislative, executive or administrative authority of any Allied or Associated Power in regard to the rights of German nationals in industrial, literary or artistic property shall remain in force and shall continue to maintain their full effect.

No claim shall be made or action brought by Germany or German nationals in respect of the use during the war by the Government of any Allied or Associated Power, or by any persons acting on behalf or with the assent of such Government, of any rights in industrial, literary or artistic property, nor in respect of the sale, offering for sale, or use of any products, articles or apparatus whatsoever to which such rights applied.

Unless the legislation of any one of the Allied or Associated Powers in force at the moment of the signature of the present Treaty otherwise directs, sums due or paid in virtue of any act or operation resulting from the execution of the special measures mentioned in paragraph I of this Article shall be dealt with in the same way as other sums due to German nationals are directed to be dealt with by the present Treaty, and sums produced by any special measures taken by the German Government in respect of rights in industrial, literary or artistic property belonging to the nationals of the Allied or Associated Powers shall be considered and treated in the same way as other debts due from German nationals.

Each of the Allied and Associated Powers reserves to itself the right to impose such limitations, conditions or restrictions on rights of industrial, literary or artistic property (with the exception of trade-marks), acquired before or during the war, or which may be subsequently acquired in accordance with its legislation, by German nationals, whether by granting licenses, or by the working, or by preserving control over their exploitation, or in any other way, as may be considered necessary for national defence, or in the public interest, or for assuring the fair treatment by Germany of the rights of industrial, literary and artistic property held in German territory by its nationals, or for securing the due fulfilment of all the obligations undertaken by Germany in the present Treaty. As regards rights of industrial literary and artistic property acquired after the coming into force of the present Treaty, the right so reserved by the Allied and Associated Powers shall only be exercised in cases where these limitations, conditions or restrictions may be considered necessary for national defence or in the public interest.

In the event of the application of the provisions of the preceding paragraph by any Allied or Associated Power, there shall be paid reasonable indemnities or royalties, which shall be dealt with in the same way as other sums due to German nationals are directed to be dealt with by the present Treaty.

Each of the Allied or Associated Powers reserves the right to treat as void and of no effect any transfer in whole or in part of or other dealing with rights of or in respect of industrial, literary or artistic property effected after August 1, 1914, or in the future, which would have the result of defeating the objects of the provisions of this Article.

The provisions of this Article shall not apply to rights in industrial, literary or artistic property which have been dealt with in the liquidation of business or companies under war legislation by the Allied or Associated Powers, or which may be so dealt with by virtue of Article 297, paragraph (b).

ARTICLE 307.

A minimum of one year after the coming into force of the present Treaty shall be accorded to the nationals of the High Contracting Parties, without extension fees or other penalty, in order to enable such persons to accomplish any act, fulfil any formality, pay any fees, and generally satisfy any obligation prescribed by the laws or regulations of the respective States relating to the obtaining, preserving, or opposing rights to, or in respect of, industrial property either acquired before August 1, 1914, or which, except for the war, might have been acquired since that date as a result of an application made before the war or during its continuance; but nothing in this Article shall give any right to reopen interference proceedings in the United States of America where a final hearing has taken place.

All rights in, or in respect of, such property which may have lapsed by reason of any failure to accomplish any act, fulfil any formality, or make any payment, shall revive, but subject in the case of patents and designs to the imposition of such conditions as each Allied or Associated Power may deem reasonably necessary for the protection of persons who have manufactured or made use of the subject matter of such property while the rights had lapsed. Further, where rights to patents or designs belonging to German nationals are revived under this Article, they shall be subject in respect of the grant of licenses to the same provisions as would have been applicable to them during the war, as well as to all the provisions of the present Treaty.

The period from August 1, 1914, until the coming into force of the present Treaty shall be excluded in considering the time within which a patent should be worked or a trade mark or design used, and it is further agreed that no patent, registered trade mark or design in force on August 1, 1914, shall be subject to revocation or cancellation by reason only of the failure to work such patent or use such trade mark or design for two years after the coming into force of the present Treaty.

ARTICLE 308.

The rights of priority, provided by Article 4 of the International Convention for the Protection of Industrial Property of Paris, of March 20, 1883, revised at Washington in 1911 or by any other Convention or Statute, for the filing or registration of applications for patents or models of utility, and for the registration of trade marks, designs and models which had not expired on August 1, 1914, and those which have arisen during the war, or would have arisen but for the war, shall be extended by each of the High Contracting Parties in favour of all nationals of the other High Contracting Parties for a period of six months after the coming into force of the present Treaty.

Nevertheless, such extension shall in no way affect the right of any of the High Contracting Parties or of any person who before the coming into force of the present Treaty was *bonâ fide* in possession of any rights of industrial property conflicting with rights applied for by another who claims rights of priority in respect of them, to exercise such rights by itself or himself personally, or by such agents or licensees as derived their rights from it or him before the coming into force of the present Treaty; and such persons shall not be amenable to any action or other process of law in respect of infringement.

ARTICLE 309.

No action shall be brought and no claim made by persons residing or carrying on business within the territories of Germany on the one part and of the Allied or Associated Powers on the other, or persons who are nationals of such Powers respectively, or by any one deriving title during the war from such persons, by reason of any action which has taken place within the territory of the other party between the date of the declaration of war and that of the coming into force of the present

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Treaty, which might constitute an infringement of the rights of industrial property or rights of literary and artistic property, either existing at any time during the war or revived under the provisions of Articles 307 and 308.

Equally, no action for infringement of industrial, literary or artistic property rights by such persons shall at any time be permissible in respect of the sale or offering for sale for a period of one year after the signature of the present Treaty in the territories of the Allied or Associated Powers on the one hand or Germany on the other, of products or articles manufactured, or literary or artistic works published, during the period between the declaration of war and the signature of the present Treaty, or against those who have acquired and continue to use them. It is understood, nevertheless, that this provision shall not apply when the possessor of the rights was domiciled or had an industrial or commercial establishment in the districts occupied by Germany during the war.

This Article shall not apply as between the United States of America on the one hand and Germany on the other.

ARTICLE 310.

Licenses in respect of industrial, literary or artistic property concluded before the war between nationals of the Allied or Associated Powers or persons residing in their territory or carrying on business therein, on the one part, and German nationals, on the other part, shall be considered as cancelled as from the date of the declaration of war between Germany and the Allied or Associated Power. But, in any case, the former beneficiary of a contract of this kind shall have the right, within a period of six months after the coming into force of the present Treaty, to demand from the proprietor of the rights the grant of a new license, the conditions of which, in default of agreement between the parties, shall be fixed by the duly qualified tribunal in the country under whose legislation the rights had been acquired, except in the case of licenses held in respect of rights acquired under German law. In such cases the conditions shall be fixed by the Mixed Arbitral Tribunal referred to in Section VI of this Part. The tribunal may, if necessary, fix also the amount which it may deem just should be paid by reason of the use of the rights during the war.

No license in respect of industrial, literary or artistic property, granted under the special war legislation of any Allied or Associated Power, shall be affected by the continued existence of any license entered into before the war, but shall remain valid and of full effect, and a license so granted to the former beneficiary of a license entered into before the war shall be considered as substituted for such license.

Where sums have been paid during the war by virtue of a license or agreement concluded before the war in respect of rights of industrial property or for the reproduction or the representation of literary, dramatic or artistic works, these sums shall be dealt with in the same manner as other debts or credits of German nationals, as provided by the present Treaty.

This Article shall not apply as between the United States of America on the one hand and Germany on the other.

ARTICLE 311.

The inhabitants of territories separated from Germany by virtue of the present Treaty shall, notwithstanding this separation and the change of nationality consequent thereon, continue to enjoy in Germany all the rights in industrial, literary and artistic property to which they were entitled under German legislation at the time of the separation.

Rights of industrial, literary and artistic property which are in force in the territories separated from Germany under the present Treaty at the moment of the separation of these territories from Germany, or which will be re-established or restored in accordance with the provisions of Article 306 of the present Treaty, shall be recognized by the State to which the said territory is transferred and shall remain in force in that territory for the same period of time given them under the German law.

SECTION VIII.

SOCIAL AND STATE INSURANCE IN CEDED TERRITORY.

ARTICLE 312.

Without prejudice to the provisions contained in other Articles of the present Treaty, the German Government undertakes to transfer to any Power to which German territory in Europe is ceded, and to any Power administering former German territory as a mandatory under Article 22 of Part I (League of Nations), such portion of the reserves accumulated by the Government of the German Empire or of German States, or by public or private organizations under their control, as is attributable to the carrying on of Social or State Insurance in such territory.

The Powers to which these funds are transferred must apply them to the performance of the obligations arising from such insurances.

The conditions of the transfer will be determined by special conventions to be concluded between the German Government and the Governments concerned.

In case these special conventions are not concluded in accordance with the above paragraph within three months after the coming into force of the present Treaty, the conditions of transfer shall in each case be referred to a Commission of five members, one of whom shall be appointed by the German Government, one by the other interested Government and three by the Governing Body of the International Labour Office from the nationals of other States. This Commission shall by majority vote within three months after appointment adopt recommendations for submission to the Council of the League of Nations, and the decisions of the Council shall forthwith be accepted as final by Germany and the other Government concerned.

PART XI.

AERIAL NAVIGATION.

ARTICLE 313.

The aircraft of the Allied and Associated Powers shall have full liberty of passage and landing over and in the territory and territorial waters of Germany, and shall enjoy the same privileges as German aircraft, particularly in case of distress by land or sea.

ARTICLE 314.

The aircraft of the Allied and Associated Powers shall, while in transit to any foreign country whatever, enjoy the right of flying over the territory and territorial waters of Germany without landing, subject always to any regulations which may be made by Germany, and which shall be applicable equally to the aircraft of Germany and to those of the Allied and Associated countries.

ARTICLE 315.

All aerodromes in Germany open to national public traffic shall be open for the aircraft of the Allied and Associated Powers, and in any such aerodrome such aircraft shall be treated on a footing of equality with German aircraft as regards charges of every description, including charges for landing and accommodation.

ARTICLE 316.

Subject to the present provisions, the rights of passage, transit and landing, provided for in Articles 313, 314 and 315, are subject to the observance of such regulations as Germany may consider is necessary to enact, but such regulations shall be applied without distinction to German aircraft and to those of the Allied and Associated countries.

ARTICLE 317.

Certificates of nationality, airworthiness, or competency, and licenses, issued or recognized as valid by any of the Allied or Associated Powers, shall be recognized in Germany as valid and as equivalent to the certificates and licenses issued by Germany.

ARTICLE 318.

As regards internal commercial air traffic, the aircraft of the Allied and Associated Powers shall enjoy in Germany most favoured nation treatment.

ARTICLE 319.

Germany undertakes to enforce the necessary measures to ensure that all German aircraft flying over her territory shall comply with the Rules as to lights and signals, Rules of the Air and Rules for Air Traffic on and in the neighbourhood of aerodromes, which have been laid down in the Convention relative to Aerial Navigation concluded between the Allied and Associated Powers.

ARTICLE 320.

The obligations imposed by the preceding provisions shall remain in force until January 1, 1923, unless before that date Germany shall have been admitted into the League of Nations or shall have been authorized, by consent of the Allied and Associated Powers, to adhere to the Convention relative to Aerial Navigation concluded between those Powers.

PART XII.

PORTS, WATERWAYS AND RAILWAYS.

SECTION I.

General Provisions.

ARTICLE 321.

Germany undertakes to grant freedom of transit through her territories on the routes most convenient for international transit, either by rail, navigable waterway, or canal, to persons, goods, vessels, carriages, wagons and mails coming from or going to the territories of any of the Allied and Associated Powers (whether contiguous or not); for this purpose the crossing of territorial waters shall be allowed. Such persons, goods, vessels, carriages, wagons and mails shall not be subjected to any transit duty or to any undue delays or restrictions, and shall be entitled in Germany to national treatment as regards charges, facilities, and all other matters.

Goods in transit shall be exempt from all Customs or other similar duties.

All charges imposed on transport in transit shall be reasonable, having regard to the conditions of the traffic. No charge, facility or restriction shall depend directly or indirectly on the ownership or on the nationality of the ship or other means of transport on which any part of the through journey has been, or is to be, accomplished.

ARTICLE 322.

Germany undertakes neither to impose nor to maintain any control over transmission traffic through her territories beyond measures necessary to ensure that passengers are *bonâ fide* in transit; nor to allow any shipping company or other private body, corporation or person interested in the traffic to take any part whatever in, or exercise any direct or indirect influence over, any administrative service that may be necessary for this purpose.

ARTICLE 323.

Germany undertakes to make no discrimination or preference, direct or indirect, in the duties, charges and prohibitions relating to importations into or exportations from her territories, or, subject to the special engagements contained in the present Treaty, in the charges and conditions of transport of goods or persons entering or leaving her territories, based on the frontier crossed; or on the kind, ownership or flag of the means of transport (including aircraft) employed; or on the original or immediate place of departure of the vessel, wagon or aircraft or other means of transport employed, or its ultimate or intermediate destination; or on the route of or places of trans-shipment on the journey; or on whether any port through which the goods are imported or exported is a German port or a port belonging to any foreign country or on whether the goods are imported or exported by sea, by land or by air.

Germany particularly undertakes not to establish against the ports and vessels of any of the Allied and Associated Powers any surtax or any direct or indirect bounty for export or import by German ports or vessels, or by those of another Power, for example by means of combined tariffs. She further undertakes that persons or goods passing through a port or using a vessel of any of the Allied and Associated Powers shall not be subjected to any formality or delay whatever to which such persons or goods would not be subjected if they passed through a German port or a port of any other Power, or used a German vessel or a vessel of any other Power.

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ARTICLE 324.

All necessary administrative and technical measures shall be taken to shorten, as much as possible, the transmission of goods across the German frontiers and to ensure their forwarding and transport from such frontiers, irrespective of whether such goods are coming from or going to the territories, of the Allied and Associated Powers or are in transit from or to those territories under the same material conditions in such matters as rapidity of carriage and care *en route* as are enjoyed by other goods of the same kind carried on German territory under similar conditions of transport.

In particular, the transport of perishable goods shall be promptly and regularly carried out, and the customs formalities shall be effected in such a way as to allow the goods to be carried straight through by trains which make connection.

ARTICLE 325.

The seaports of the Allied and Associated Powers are entitled to all favours and to all reduced tariffs granted on German railways or navigable waterways for the benefit of German ports or of any port of another Power.

ARTICLE 326.

Germany may not refuse to participate in the tariffs or combinations of tariffs intended to secure for ports of any of the Allied and Associated Powers advantages similar to those granted by Germany to her own ports or the ports of any other Power.

SECTION II.

NAVIGATION.

CHAPTER I.

Freedom of Navigation.

ARTICLE 327.

The nationals of any of the Allied and Associated Powers as well as their vessels and property shall enjoy in all German ports and on the inland navigation routes of Germany the same treatment in all respects as German nationals, vessels and property.

In particular the vessels of any one of the Allied or Associated Powers shall be entitled to transport goods of any description, and passengers, to or from any ports or places in German territory to which German vessels may have access, under conditions which shall not be more onerous than those applied in the case of national vessels; they shall be treated on a footing of equality with national vessels as regards, port and harbour facilities and charges of every description, including facilities for stationing, loading and unloading, and duties and charges of tonnage, harbour, pilotage, lighthouse, quarantine, and all analogous duties and charges of whatsoever nature, levied in the name of or for the profit of the Government, public functionaries, private individuals, corporations or establishments of any kind.

In the event of Germany granting a preferential regime to any of the Allied or Associated Powers or to any other foreign Power, this regime shall be extended immediately and unconditionally to all the Allied and Associated Powers.

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There shall be no impediment to the movement of persons or vessels other than those arising from prescriptions concerning customs, police, sanitation, emigration and immigration, and those relating to the import and export of prohibited goods. Such regulations must be reasonable and uniform and must not impede traffic unnecessarily.

CHAPTER II.

Free Zones in Ports.

ARTICLE 328.

The free zones existing in German ports on August 1, 1914, shall be maintained. These free zones, and any other free zones which may be established in German territory by the present Treaty, shall be subject to the régime provided for in the following Articles.

Goods entering or leaving a free zone shall not be subjected to any import or export duty, other than those provided for in Article 330.

Vessels and goods entering a free zone may be subjected to the charges established to cover expenses of administration, upkeep and improvement of the port, as well as to the charges for the use of various installations, provided that these charges shall be reasonable having regard to the expenditure incurred, and shall be levied in the conditions of equality provided for in Article 327.

Goods shall not be subjected to any other charge except a statistical duty which shall not exceed 1 per mille *ad valorem*, and which shall be devoted exclusively to defraying the expenses of compiling statements of the traffic in the port.

ARTICLE 329.

The facilities granted for the erection of warehouses, for packing and for unpacking goods, shall be in accordance with trade requirements for the time being. All goods allowed to be consumed in the free zone shall be exempt from duty, whether of excise or of any other description, apart from the statistical duty provided for in Article 328 above.

There shall be no discrimination in regard to any of the provisions of the present Article between persons belonging to different nationalities or between goods of different origin or destination.

ARTICLE 330.

Import duties may be levied on goods leaving the free zone for consumption in the country on the territory of which the port is situated. Conversely, export duties may be levied on goods coming from such country and brought into the free zone. These import and export duties shall be levied on the same basis and at the same rates as similar duties levied at the other Customs frontiers of the country concerned. On the other hand, Germany shall not levy, under any denomination, any import, export or transmit duty on goods carried by land or water across her territory to or from the free zone from or to any other State.

Germany shall draw up the necessary regulations to secure and guarantee such freedom of transit over such railways and waterways in her territory as normally give access to the free zone.

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CHAPTER III.

CLAUSES RELATING TO THE ELBE, THE ODER, THE NIEMEN (RUSSSTROM-MEMEL-NIEMEN) AND THE DANUBE.

(1)—General Clauses.

ARTICLE 331.

The following rivers are declared international:

- the Elbe (*Labe*) from its confluence with the Vltava (*Moldau*), and the Vltava (*Moldau*) from Prague;
- the Older (*Odra*) from its confluence with the Oppa;
- the Niemen (*Russstrom-Memel-Niemen*) from Grodno;
- the Danube from Ulm;

and all navigable parts of these river systems which naturally provide more than one State with access to the sea, with or without transshipment from one vessel to another; together with lateral canals and channels constructed either to duplicate or to improve naturally navigable sections of the specified river systems, or to connect two naturally navigable sections of the same river.

The same shall apply to the Rhine-Danube navigable waterway, should such a waterway be constructed under the conditions laid down in Article 333.

ARTICLE 332.

On the waterways declared to be international in the preceding Article, the nationals, property and flags of all Powers shall be treated on a footing of perfect equality, no distinction being made to the detriment of the nationals, property or flag of any Power between them and the nationals, property or flag of the riparian State itself or of the most favoured nation.

Nevertheless, German vessels shall not be entitled to carry passengers or goods by regular services between the ports of any Allied or Associated Power, without special authority from such Power.

ARTICLE 333.

Where such charges are not precluded by any existing conventions, charges varying on different sections of a river may be levied on vessels using the navigable channels or their approaches, provided that they are intended solely to cover equitably the cost of maintaining in a navigable condition, or of improving, the river and its approaches, or to meet expenditure incurred in the interests of navigation. The schedule of such charges shall be calculated on the basis of such expenditure and shall be posted up in the ports. These charges shall be levied in such a manner as to render any detailed examination of cargoes unnecessary, except in cases of suspected fraud or contravention.

ARTICLE 334.

The transit of vessels, passengers and goods on these waterways shall be effected in accordance with the general conditions prescribed for transit in Section I above.

When the two banks of an international river are within the same State goods in transit may be placed under seal or in the custody of customs agents. When the river forms a frontier goods and passengers in transit shall be exempt from all customs formalities; the loading and unloading of goods, and the embarkation and disembarkation of passengers, shall only take place in the ports specified by the riparian State.

ARTICLE 335.

No dues of any kind other than those provided for in the present Part shall be levied along the course or at the mouth of these rivers.

This provision shall not prevent the fixing by the riparian States of customs, local octroi or consumption duties, or the creation of reasonable and uniform charges levied in the ports, in accordance with public tariffs, for the use of cranes, elevators, quays, warehouses, etc.

ARTICLE 336.

In default of any special organization for carrying out the works connected with the upkeep and improvement of the international portion of a navigable system, each riparian State shall be bound to take suitable measures to remove any obstacle or danger to navigation and to ensure the maintenance of good conditions of navigation.

If a State neglects to comply with this obligation any riparian State, or any State represented on the International Commission, if there is one, may appeal to the tribunal instituted for this purpose by the League of Nations.

ARTICLE 337.

The same procedure shall be followed in the case of a riparian State undertaking any works of a nature to impede navigation in the international section. The tribunal mentioned in the preceding Article shall be entitled to enforce the suspension or suppression of such works, making due allowance in its decisions for all rights in connection with irrigation, water-power, fisheries, and other national interests, which, with the consent of all the riparian States or of all the States represented on the International Commission, if there is one, shall be given priority over the requirements of navigation.

Appeal to the tribunal of the League of Nations does not require the suspension of the works.

ARTICLE 338.

The régime set out in Articles 332 to 337 above shall be superseded by one to be laid down in a General Convention drawn up by the Allied and Associated Powers, and approved by the League of Nations, relating to the waterways recognized in such Convention as having an international character. This Convention shall apply in particular to the whole or part of the above-mentioned river systems of the Elbe (*Labe*), the Oder (*Odra*), the Niemen (*Russstrom-Memel-Niemen*), and the Danube, and such other parts of these river systems as may be covered by a general definition.

Germany undertakes, in accordance with the provisions of Article 379, to adhere to the said General Convention as well as to all projects prepared in accordance with Article 343 below for the revision of existing international agreements and regulations.

ARTICLE 339.

Germany shall cede to the Allied and Associated Powers concerned, within a maximum period of three months from the date of which notification shall be given her, a proportion of the tugs and vessels remaining registered in the ports of the river systems referred to in Article 331 after the deduction of those surrendered by way of restitution or reparation. Germany shall in the same way cede material of all kinds necessary to the Allied and Associated Powers concerned for the utilization of these river systems.

The number of the tugs and boats, and the amount of the material so ceded, and their distribution, shall be determined by an arbitrator or arbitrators nominated by the United States of America, due regard being had to the legitimate needs of the parties concerned, and particularly to the shipping traffic during the five years preceding the war.

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All craft so ceded shall be provided with their fittings and gear, shall be in a good state of repair and in condition to carry goods, and shall be selected from among those most recently built.

The cessions provided for in the present Article shall entail a credit of which the total amount, settled in a lump sum by the arbitrator or arbitrators, shall not in any case exceed the value of the capital expended in the initial establishment of the material ceded, and shall be set off against the total sums due from Germany; in consequence, the indemnification of the proprietors shall be a matter for Germany to deal with.

(2) *Special Clauses relating to the Elbe, the Oder and the Niemen (Russstrom-Memel-Niemen.)*

ARTICLE 340.

The Elbe (*Labe*) shall be placed under the administration of an International Commission which shall comprise:

- 4 representatives of the German States bordering on the river;
- 2 representatives of the Czecho-Slovak State;
- 1 representative of Great Britain;
- 1 representative of France;
- 1 representative of Italy;
- 1 representative of Belgium.

Whatever be the number of members present, each delegation shall have the right to record a number of votes equal to the number of representatives allotted to it.

If certain of these representatives cannot be appointed at the time of the coming into force of the present Treaty, the decisions of the Commission shall nevertheless be valid.

ARTICLE 341.

The Oder (*Odra*) shall be placed under the administration of an International Commission, which shall comprise:

- 1 representative of Poland;
- 3 representatives of Prussia;
- 1 representative of the Czecho-Slovak State;
- 1 representative of Great Britain;
- 1 representative of France;
- 1 representative of Denmark;
- 1 representative of Sweden.

If certain of these representatives cannot be appointed at the time of the coming into force of the present Treaty, the decisions of the Commission shall nevertheless be valid.

ARTICLE 342.

On a request being made to the League of Nations by any riparian State, the Niemen (*Russstrom-Memel-Niemen*) shall be placed under the administration of an International Commission, which shall comprise one representative of each riparian State, and three representatives of other States specified by the League of Nations.

ARTICLE 343.

The International Commissions referred to in Articles 340 and 341 shall meet within three months of the date of the coming into force of the present Treaty. The International Commission referred to in Article 342 shall meet within three months from the date of the request made by a riparian state. Each of these Commissions

shall proceed immediately to prepare a project for the revision of the existing international agreements and regulations, drawn up in conformity with the General Convention referred to in Article 338, should such Convention have been already concluded. In the absence of such Convention, the project for revision shall be in conformity with the principles of Articles 332 to 337 above.

ARTICLE 344.

The projects referred to in the preceding Article shall, *inter alia*.

(a) designate the headquarters of the International Commission, and prescribe the manner in which its President is to be nominated;

(b) specify the extent of the Commission's powers, particularly in regard to the execution of works of maintenance, control, and improvements on the river system, the financial regime, the fixing and collection of charges, and regulations for navigation;

(c) define the sections of the river or its tributaries to which the international regime shall be applied:

ARTICLE 345.

The international agreements and regulations at present governing the navigation of the Elbe (*Labe*), the Oder (*Odra*), and the Niemen (*Russstrom-Memel-Niemen*), shall be provisionally maintained in force until the ratification of the above-mentioned projects. Nevertheless, in all cases where such agreements and regulations in force are in conflict with the provisions of Articles 332 to 337 above, or of the General Convention to be concluded, the latter provisions shall prevail.

(3) *Special Clauses relating to the Danube.*

ARTICLE 346.

The European Commission of the Danube reassumes the powers it possessed before the war. Nevertheless, as a provisional measure, only representatives of Great Britain, France, Italy and Roumania shall constitute this Commission.

ARTICLE 347.

From the point where the competence of the European Commission ceases, the Danube system referred to in Article 331 shall be placed under the administration of an International Commission composed as follows:

- 2 representatives of German riparian States;
- 1 representative of each other riparian State;
- 1 representative of each non-riparian State represented in the future on the European Commission of the Danube.

If certain of these representatives cannot be appointed at the time of the coming into force of the present Treaty, the decisions of the Commission shall nevertheless be valid.

ARTICLE 348.

The International Commission provided for in the preceding Article shall meet as soon as possible after the coming into force of the present Treaty, and shall undertake provisionally the administration of the river in conformity with the provisions of Articles 332 to 337, until such time as a definitive statute regarding the Danube is concluded by the Powers nominated by the Allied and Associated Powers.

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ARTICLE 349.

Germany agrees to accept the régime which shall be laid down for the Danube by a Conference of the Powers nominated by the Allied and Associated Powers, which shall meet within one year after the coming into force of the present Treaty, and at which German representatives may be present.

ARTICLE 350.

The mandate given by Article 57 of the Treaty of Berlin of July 13, 1878, to Austria-Hungary, and transferred by her to Hungary, to carry out works at the Iron Gates, is abrogated. The Commission entrusted with the administration of this part of the river shall lay down provisions for the settlement of accounts subject to the financial provisions of the present Treaty. Charges which may be necessary shall in no case be levied by Hungary.

ARTICLE 351.

Should the Czecho-Slovak State, the Serb-Croat-Slovene State or Roumania, with the authorization of or under mandate from the International Commission, undertake maintenance, improvement, weir, or other works on a part of the river system which forms a frontier, these States shall enjoy on the opposite bank, and also on the part of the bed which is outside their territory, all necessary facilities for the survey, execution and maintenance of such works.

ARTICLE 352.

Germany shall be obliged to make to the European Commission of the Danube all restitutions, reparations and indemnities for damages inflicted on the Commission during the war.

ARTICLE 353.

Should a deep-draught Rhine-Danube navigable waterway be constructed, Germany undertakes to apply thereto the régime prescribed in Articles 332 to 338.

CHAPTER IV.

CLAUSES RELATING TO THE MOSELLE.

ARTICLE 354.

As from the coming into force of the present Treaty, the Convention of Mannheim of October 17, 1898, together with the Final Protocol thereof, shall continue to govern navigation on the Rhine, subject to the conditions hereinafter laid down.

In the event of any provisions of the said Convention being in conflict with those laid down by the General Convention referred to in Article 338 (which shall apply to the Rhine) the provisions of the General Convention shall prevail.

Within a maximum period of six months from the coming into force of the present Treaty, the Central Commission referred to in Article 355 shall meet to draw up a project of revision of the Convention of Mannheim. This project shall be drawn up in harmony with the provisions of the General Convention referred to above, should this have been concluded by that time, and shall be submitted to the Powers represented on the Central Commission. Germany hereby agrees to adhere to the project so drawn up.

Further, the modifications set out in the following Articles shall immediately be made in the Convention of Mannheim.

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The Allied and Associated Powers reserve to themselves the right to arrive at an understanding in this connection with Holland, and Germany hereby agrees to accede if required to any such understanding.

ARTICLE 355.

The Central Commission provided for in the Convention of Mannheim shall consist of nineteen members, viz.:

- 2 representatives of the Netherlands;
- 2 representatives of Switzerland;
- 4 representatives of German riparian States;
- 4 representatives of France, which in addition shall appoint the President of the Commission;
- 2 representatives of Great Britain;
- 2 representatives of Italy;
- 2 representatives of Belgium.

The headquarters of the Central Commission shall be at Strasburg.

Whatever be the number of members present, each Delegation shall have the right to record a number of votes equal to the number of representatives allotted to it.

If certain of these representatives cannot be appointed at the time of the coming into force of the present Treaty, the decisions of the Commission shall nevertheless be valid.

ARTICLE 356.

Vessels of all nations, and their cargoes, shall have the same rights and privileges as those which are granted to vessels belonging to the Rhine navigation, and to their cargoes.

None of the provisions contained in Articles 15 to 20 and 26 of the above-mentioned Conventions of Mannheim, in Article 4 of the Final Protocol thereof, or in later Conventions, shall impede the free navigation of vessels and crews of all nations on the Rhine and on waterways to which such Conventions apply, subject to compliance with the regulations concerning pilotage and other police measures drawn up by the Central Commission.

The provisions of Article 22 of the Convention of Mannheim and of Article 5 of the Final Protocol thereof shall be applied only to vessels registered on the Rhine. The Central Commission shall decide on the steps to be taken to ensure that other vessels satisfy the conditions of the general regulations applying to navigation on the Rhine.

ARTICLE 357.

Within a maximum period of three months from the date on which notification shall be given Germany shall cede to France tugs and vessels, from among those remaining registered in German Rhine ports after the deduction of those surrendered by way of restitution or reparation, or shares in German Rhine navigation companies.

When vessels and tugs are ceded, such vessels and tugs, together with their fittings and gear, shall be in good state of repair, shall be in condition to carry on commercial traffic on the Rhine, and shall be selected from among those most recently built.

The same procedure shall be followed in the matter of the cession by Germany to France of:

(1) the installations, berthing and anchorage accommodation, platforms, docks, warehouses, plant, etc., which German subjects or German companies owned on August 1, 1914, in the port of Rotterdam, and

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(2) the shares or interests which Germany or German nationals possessed in such installations at the same date.

The amount and specifications of such cessions shall be determined within one year of the coming into force of the present Treaty by an arbitrator or arbitrators appointed by the United States of America, due regard being had to the legitimate needs of the parties concerned.

The cessions provided for in the present Article shall entail a credit of which the total amount, settled in a lump sum by the arbitrator or arbitrators mentioned above, shall not in any case exceed the value of the capital expended in the initial establishment of the ceded material and installations, and shall be set off against the total sums due from Germany; in consequence, the indemnification of the proprietors shall be a matter for Germany to deal with.

ARTICLE 358.

Subject to the obligation to comply with the provisions of the Convention of Mannheim or of the Convention which may be substituted therefor, and to the stipulations of the present Treaty, France shall have on the whole course of the Rhine included between the two extreme points of the French frontiers:

- (a) the right to take water from the Rhine to feed navigation and irrigation canals (constructed or to be constructed), or for any other purpose, and to execute on the German bank all works necessary for the exercise of this right;
- (b) the exclusive right to the power derived from works of regulation on the river, subject to the payment to Germany of the value of half the power actually produced, this payment, which will take into account the cost of the works necessary for producing the power, being made either in money or in power and in default of agreement being determined by arbitration. For this purpose France alone shall have the right to carry out in this part of the river all works of regulation (weirs or other works), which she may consider necessary for the production of power. Similarly, the right of taking water from the Rhine is accorded to Belgium to feed the Rhine-Meuse navigable waterway provided for below.

The exercise of the rights mentioned under (a) and (b) of the present Article shall not interfere with navigability nor reduce the facilities for navigation, either in the bed of the Rhine or in the derivations which may be substituted therefor, nor shall it involve any increase in the tolls formerly levied under the Convention in force. All proposed schemes shall be laid before the Central Commission in order that that Commission may assure itself that these conditions are complied with.

To ensure the proper and faithful execution of the provisions contained in (a) and (b) above, Germany:

(1) binds herself not to undertake or to allow the construction of any lateral canal or any derivation on the right bank of the river opposite the French frontiers;

(2) recognizes the possession by France of the right of support on and the right of way over all lands situated on the right bank which may be required in order to survey, to build, and to operate weirs which France, with the consent of the Central Commission, may subsequently decide to establish. In accordance with such consent, France shall be entitled to decide upon and fix the limits of the necessary sites, and she shall be permitted to occupy such lands after a period of two months after simple notification, subject to the payment by her to Germany of indemnities of which the total amount shall be fixed by the Central Commission. Germany shall make it her business to indemnify the proprietors whose property will be burdened with such servitudes or permanently occupied by the works.

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Should Switzerland so demand, and if the Central Commission approves, the same rights shall be accorded to Switzerland for the part of the river forming her frontier with other riparian States;

(3) shall hand over to the French Government, during the month following the coming into force of the present Treaty, all projects, designs, drafts of concessions and of specifications concerning the regulation of the Rhine for any purpose whatever which have been drawn up or received by the Governments of Alsace-Lorraine or of the Grand Duchy of Baden.

ARTICLE 359.

Subject to the preceding provisions, no works shall be carried out in the bed or on either bank of the Rhine where it forms the boundary of France and Germany without the previous approval of the Central Commission or of its agents.

ARTICLE 360.

France reserves the option of substituting herself as regards the rights and obligations resulting from agreements arrived at between the Government of Alsace-Lorraine and the Grand Duchy of Baden concerning the works to be carried out on the Rhine; she may also denounce such agreements within a term of five years dating from the coming into force of the present Treaty.

France shall also have the option of causing works to be carried out which may be recognized as necessary by the Central Commission for the upkeep or improvement of the navigability of the Rhine above Mannheim.

ARTICLE 361.

Should Belgium within a period of 25 years from the coming into force of the present Treaty decide to create a deep-draught Rhine-Meuse navigable waterway, in the region of Ruhrort, Germany shall be bound to construct, in accordance with plans to be communicated to her by the Belgian Government, after agreement with the Central Commission, the portion of this navigable waterway situated within her territory.

The Belgian Government shall, for this purpose, have the right to carry out on the ground all necessary surveys.

Should Germany fail to carry out all or part of these works, the Central Commission shall be entitled to carry them out instead; and, for this purpose, the Commission may decide upon and fix the limits of the necessary sites and occupy the ground after a period of two months after simple notification, subject to the payment of indemnities to be fixed by it and paid by Germany.

This navigable waterway shall be placed under the same administrative régime as the Rhine itself, and the division of the cost of initial construction, including the above indemnities, among the States crossed thereby shall be made by the Central Commission.

ARTICLE 362.

Germany hereby agrees to offer no objection to any proposals of the Central Rhine Commission for extending its jurisdiction:

(1) to the Moselle below the Franco-Luxemburg frontier down to the Rhine, subject to the consent of Luxemburg;

(2) to the Rhine above Basle up to the Lake of Constance, subject to the consent of Switzerland;

(3) to the lateral canals and channels which may be established either to duplicate or to improve naturally navigable sections of the Rhine or the Moselle, or to connect two naturally navigable sections of these rivers, and also any other parts of the Rhine river system which may be covered by the General Convention provided for in Article 238 above

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CHAPTER V.

CLAUSES GIVING TO THE CZECHO-SLOVAK STATE THE USE OF NORTHERN PORTS.

ARTICLE 363.

In the ports of Hamburg and Stettin Germany shall lease to the Czecho-Slovak State, for a period of 99 years, areas which shall be placed under the general régime of free zones and shall be used for the direct transit of goods coming from or going to that State.

ARTICLE 364.

The delimitation of these areas, and their equipment, their exploitation, and in general all conditions for their utilization, including the amount of the rental, shall be decided by a Commission consisting of one delegate of Germany, one delegate of the Czecho-Slovak State and one delegate of Great Britain. These conditions shall be susceptible of revision every ten years in the same manner.

Germany declares in advance that she will adhere to the decisions so taken.

SECTION III.

Railways.

CHAPTER I.

CLAUSES RELATING TO INTERNATIONAL TRANSPORT.

ARTICLE 365.

Goods coming from the territories of the Allied and Associated Powers, and going to Germany, or in transit through Germany from or to the territories of the Allied and Associated Powers, shall enjoy on the German railways as regards charges to be collected (rebates and drawbacks being taken into account) facilities, and all other matters, the most favourable treatment applied to goods of the same kind carried on any German lines, either in internal traffic, or for export, import or in transit, under similar conditions of transport, for example as regards length of route. The same rule shall be applied, on the request of one or more of the Allied and Associated Powers, to goods specially designated by such Power or Powers coming from Germany and going to their territories.

International tariffs established in accordance with the rates referred to in the preceding paragraph and involving through way-bills shall be established when one of the Allied and Associated Powers shall require it from Germany.

ARTICLE 366.

From the coming into force of the present Treaty the High Contracting Parties shall renew, in so far as concerns them and under the reserves indicated in the second paragraph of the present Article, the conventions and arrangements signed at Berne on October 14, 1890, September 20, 1893, July 16, 1895, June 16, 1898, and September 19, 1906, regarding the transportation of goods by rail.

If within five years from the date of the coming into force of the present Treaty a new convention for the transportation of passengers, luggage and goods by rail shall have been concluded to replace the Berne Convention of October 14, 1890, and the subsequent additions referred to above, this new convention and the supplementary provisions for international transport by rail which may be based on it shall bind

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Germany, even if she shall have refused to take part in the preparation of the convention or to subscribe to it. Until a new convention shall have been concluded, Germany shall conform to the provisions of the Berne Convention and the subsequent additions referred to above, and to the current supplementary provisions.

ARTICLE 367.

Germany shall be bound to co-operate in the establishment of through ticket services (for passengers and their luggage) which shall be required by any of the Allied and Associated Powers to ensure their communication by rail with each other and with all other countries by transit across the territories of Germany; in particular Germany shall, for this purpose, accept trains and carriages coming from the territories of the Allied and Associated Powers and shall forward them with a speed at least equal to that of her best long-distance trains on the same lines. The rates applicable to such through services shall not in any case be higher than the rates collected on German internal services for the same distance, under the same conditions of speed and comfort.

The tariffs applicable under the same conditions of speed and comfort to the transportation of emigrants going to or coming from ports of the Allied and Associated Powers and using the German railways shall not be at a higher kilometric rate than the most favourable tariffs (drawbacks and rebates being taken into account) enjoyed on the said railways by emigrants going to or coming from any other ports.

ARTICLE 368.

Germany shall not apply specially to such through services, or to the transportation of emigrants going to or coming from the ports of the Allied and Associated Powers, any technical, fiscal or administrative measures, such as measures of customs examination, general police, sanitary police, and control, the result of which would be to impede or delay such services.

ARTICLE 369.

In case of transport partly by rail and partly by internal navigation, with or without through way-bill, the preceding Articles shall apply to the part of the journey performed by rail.

CHAPTER II.

ROLLING STOCK.

ARTICLE 370.

Germany undertakes that German wagons shall be fitted with apparatus allowing:

(1) of their inclusion in goods trains on the lines of such of the Allied and Associated Powers as are parties to the Berne Convention of May 15, 1886, as modified on May 18, 1907, without hampering the action of the continuous brake which may be adopted in such countries within ten years of the coming into force of the present Treaty, and

(2) of the acceptance of wagons of such countries in all goods trains on the German lines.

The rolling stock of the Allied and Associated Powers shall enjoy on the German lines the same treatment as German rolling stock as regards movement, upkeep and repairs.

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CHAPTER III.

CESSIONS OF RAILWAY LINES.

ARTICLE 371.

Subject to any special provisions concerning the cession of ports, waterways and railways situated in the territories over which Germany abandons her sovereignty and to the financial conditions relating to the concessionaires and the pensioning of the personnel, the cession of railways will take place under the following conditions:

(1) The works and installations of all the railroads shall be handed over complete and in good condition.

(2) When a railway system possessing its own rolling-stock is handed over in its entirety by Germany to one of the Allied and Associated Powers, such stock shall be handed over complete, in accordance with the last inventory before November 11, 1918, and in a normal state of upkeep.

(3) As regards lines without any special rolling stock, Commissions, of experts designated by the Allied and Associated Powers, on which Germany shall be represented, shall fix the proportion of the stock existing on the system to which those lines belong to be handed over. These Commissions shall have regard to the amount of the material registered on these lines in the last inventory before November 11, 1918, the length of track (sidings included), and the nature and amount of the traffic. These Commissions shall also specify the locomotives, carriages and wagons to be handed over in each case; they shall decide upon the conditions of their acceptance, and shall make the provisional arrangements necessary to ensure their repair in German workshops.

(2) Stocks of stores, fittings and plant shall be handed over under the same conditions as the rolling stock.

The provisions of paragraphs 3 and 4 above shall be applied to the lines of former Russian Poland converted by Germany to the German gauge, such lines being regarded as detached from the Prussian State System.

CHAPTER IV.

PROVISIONS RELATING TO CERTAIN RAILWAY LINES.

ARTICLE 372.

When as a result of the fixing of new frontiers a railway connection between two parts of the same country crosses another country, or a branch line from one country has its terminus in another, the conditions of working, if not specifically provided for in the present Treaty, shall be laid down in a convention between the railway administrations concerned. If the administrations cannot come to an agreement as to the terms of such convention, the points of difference shall be decided by commissions of experts composed as provided in the preceding Article.

ARTICLE 373.

Within a period of five years from the coming into force of the present Treaty the Czecho-Slovak State may require the construction of a railway line in German territory between the stations of Schlauney and Nachod. The cost of construction shall be borne by the Czecho-Slovak State.

ARTICLE 374.

Germany undertakes to accept, within ten years of the coming into force of the present Treaty, on request being made by the Swiss Government after agreement with

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the Italian Government, the denunciation of the International Convention of October 13, 1909, relative to the St. Gothard railway. In the absence of agreement as to the conditions of such denunciation, Germany hereby agrees to accept the decision of an arbitrator designated by the United States of America.

CHAPTER V.

TRANSITORY PROVISIONS.

ARTICLE 375.

Germany shall carry out the instructions given her, in regard to transport, by an authorized body acting on behalf of the Allied and Associated Powers:

(1) For the carriage of troops under the provisions of the present Treaty, and of material, ammunition and supplies for army use;

(2) As a temporary measure, for the transportation of supplies for certain regions, as well as for the restoration, as rapidly as possible, of the normal condition of transport, and for the organization of postal and telegraphic services.

SECTION IV.

DISPUTES AND REVISION OF PERMANENT CLAUSES.

ARTICLE 376.

Disputes which may arise between interested Powers with regard to the interpretation and application of the preceding Articles shall be settled as provided by the League of Nations.

ARTICLE 377.

At any time the League of Nations may recommend the revision of such of these Articles as relate to a permanent administrative régime.

ARTICLE 378.

The stipulations in Articles 321 to 330 332, 365, and 367 to 369 shall be subject to revision by the Council of the League of Nations at any time after five years from the coming into force of the present Treaty.

Failing such revision, no Allied or Associated Power can claim after the expiration of the above period of five years the benefit of any of the stipulations in the Articles enumerated above on behalf of any portion of its territories in which reciprocity is not accorded in respect of such stipulations. The period of five years during which reciprocity cannot be demanded may be prolonged by the Council of the League of Nations.

SECTION V.

SPECIAL PROVISION.

ARTICLE 379.

Without prejudice to the special obligations imposed on her by the present Treaty for the benefit of the Allied and Associated Powers, Germany undertakes to adhere to any General Conventions regarding the international régime of transit, waterways, ports or railways which may be concluded by the Allied and Associated Powers, with the approval of the League of Nations, within five years of the coming into force of the present Treaty.

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SECTION VI.

CLAUSES RELATING TO THE KIEL CANAL.

ARTICLE 380.

The Kiel Canal and its approaches shall be maintained free and open to the vessels of commerce and of war of all nations at peace with Germany on terms of entire equality.

ARTICLE 381.

The nationals, property and vessels of all powers shall, in respect of charges, facilities, and in all other respects, be treated on a footing of perfect equality in the use of the Canal, no distinction being made to the detriment of nationals, property and vessels of any Power between them and the nationals, property and vessels of Germany or of the most favoured nation.

No impediment shall be placed on the movement of persons or vessels other than those arising out of police, customs, sanitary, emigration or immigration regulations and those relating to the import or export of prohibited goods. Such regulations must be reasonable and uniform and must not unnecessarily impede traffic.

ARTICLE 382.

Only such charges may be levied on vessels using the Canal or its approaches as are intended to cover in an equitable manner the cost of maintaining in a navigable condition, or of improving, the Canal or its approaches, or to meet expenses incurred in the interests of navigation. The schedule of such charges shall be calculated on the basis of such expenses, and shall be posted up in the ports.

These charges shall be levied in such a manner as to render any detailed examination of cargoes unnecessary, except in the case of suspected fraud or contravention.

ARTICLE 383.

Goods in transit may be placed under seal or in the custody of customs agents; the loading and unloading of goods, and the embarkation and disembarkation of passengers, shall only take place in the ports specified by Germany.

ARTICLE 384.

No charges of any kind other than those provided for in the present Treaty shall be levied along the course or at the approaches of the Kiel Canal.

ARTICLE 385.

Germany shall be bound to take suitable measures to remove any obstacle or danger to navigation, and to ensure the maintenance of good conditions of navigation. She shall not undertake any works of a nature to impede navigation on the Canal or its approaches.

ARTICLE 386.

In the event of violation of any of the conditions of Articles 380 to 386, or of disputes as to the interpretation of these Articles, any interested Power can appeal to the jurisdiction instituted for the purpose by the League of Nations.

In order to avoid reference of small questions to the League of Nations, Germany will establish a local authority at Kiel qualified to deal with disputes in the first instance and to give satisfaction so far as possible to complaints which may be presented through the consular representatives of the interested Powers.

PART XIII

LABOUR.

SECTION I.

ORGANIZATION OF LABOUR.

Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice;

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required; as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organization of vocational and technical education and other measures;

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries;

The High Contracting Parties, moved by sentiments of justice and humanity as well as by the desire to secure the permanent peace of the world, agree to the following:

CHAPTER I.

ORGANIZATION.

ARTICLE 387.

A permanent organization is hereby established for the promotion of the objects set forth in the Preamble.

The original Members of the League of Nations shall be the original Members of this organization, and hereafter membership of the League of Nations shall carry with it membership of the said organization.

ARTICLE 388.

The permanent organization shall consist of:—

- (1) a General Conference of Representatives of the Members and,
- (2) an International Labour Office controlled by the Governing Body described in Article 393.

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ARTICLE 389.

The meetings of the General Conference of Representatives of the Members shall be held from time to time as occasion may require, and at least once in every year. It shall be composed of four Representatives of each of the Members, of whom two shall be Government Delegates and the two others shall be Delegates representing respectively the employers and the workpeople of each of the Members.

Each Delegate may be accompanied by advisers, who shall not exceed two in number for each item on the agenda of the meeting. When questions specially affecting women are to be considered by the Conference, one at least of the advisers should be a woman.

The Members undertake to nominate non-Government Delegates and advisers chosen in agreement with the industrial organizations, if such organizations exist, which are most representative of employers or workpeople, as the case may be, in their respective countries.

Advisers shall not speak except on a request made by the Delegate whom they accompany and by the special authorization of the President of the Conference, and may not vote.

A Delegate may by notice in writing addressed to the President appoint one of his advisers to act as his deputy, and the adviser, while so acting, shall be allowed to speak and vote.

The names of the Delegates and their advisers will be communicated to the International Labour Office by the Government of each of the Members.

The credentials of Delegates and their advisers shall be subject to scrutiny by the Conference, which may, by two-thirds of the votes cast by the Delegates present, refuse to admit any Delegate or adviser whom it deems not to have been nominated in accordance with this Article.

ARTICLE 390.

Every Delegate shall be entitled to vote individually on all matters which are taken into consideration by the Conference.

If one of the Members fails to nominate one of the non-Government Delegates whom it is entitled to nominate, the other non-Government Delegate shall be allowed to sit and speak at the Conference, but not to vote.

If in accordance with Article 389 the Conference refuses admission to a delegate of one of the members, the provisions of the present article shall apply as if that delegate had not been nominated.

ARTICLE 391.

The meetings of the Conference shall be held at the seat of the League of Nations, or at such other place as may be decided by the Conference at a previous meeting by two-thirds of the votes cast by the delegates present.

ARTICLE 392.

The International Labour Office shall be established at the seat of the League of Nations as part of the organization of the League.

ARTICLE 393.

The International Labour Office shall be under the control of a governing body consisting of twenty-four persons, appointed in accordance with the following provisions:

The governing body of the International Labour Office shall be constituted as follows:

Twelve persons representing the governments:

Six persons elected by the delegates to the Conference representing the employers;

Six persons elected by the delegates to the Conference representing the workers.

Of the twelve persons representing the governments eight shall be nominated by the members which are of the chief industrial importance, and four shall be nominated by the members selected for the purpose by the government delegates to the Conference, excluding the delegates of the eight members mentioned above.

Any question as to which are the members of the chief industrial importance shall be decided by the Council of the League of Nations.

The period of office of the members of the governing body will be three years. The method of filling vacancies and other similar questions may be determined by the governing body subject to the approval of the Conference.

The governing body shall, from time to time, elect one of its members to act as its chairman, shall regulate its own procedure and shall fix its own times of meeting. A special meeting shall be held if a written request to that effect is made by at least ten members of the governing body.

ARTICLE 394.

There shall be a director of the International Labour Office, who shall be appointed by the governing body, and, subject to the instructions of the governing body, shall be responsible for the efficient conduct of the International Labour Office and for such other duties as may be assigned to him.

The director or his deputy shall attend all meetings of the governing body.

ARTICLE 395.

The staff of the International Labour Office shall be appointed by the director, who shall, so far as is possible with due regard to the efficiency of the work of the office, select persons of different nationalities. A certain number of these persons shall be women.

ARTICLE 396.

The functions of the International Labour Office shall include the collection and distribution of information on all subjects relating to the international adjustment of conditions of industrial life and labour, and particularly the examination of subjects which it is proposed to bring before the Conference with a view to the conclusion of international conventions, and the conduct of such special investigations as may be ordered by the Conference.

It will prepare the agenda for the meetings of the Conference.

It will carry out the duties required of it by the provisions of this part of the present Treaty in connection with international disputes.

It will edit and publish in French and English, and in such other languages as the governing body may think desirable, a periodical paper dealing with problems of industry and employment of international interest.

Generally, in addition to the functions set out in this Article, it shall have such other powers and duties as may be assigned to it by the Conference.

ARTICLE 397.

The government departments of any of the members which deal with questions of industry and employment may communicate directly with the director through the representative of their government on the governing body of the International Labour Office, or failing any such representative, through such other qualified official as the government may nominate for the purpose.

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ARTICLE 398.

The International Labour Office shall be entitled to the assistance of the secretary-general of the League of Nations in any matter in which it can be given.

ARTICLE 399.

Each of the Members will pay the travelling and subsistence expenses of its Delegates and their advisers and of its Representatives attending the meetings of the Conference or Governing Body, as the case may be.

All the other expenses of the International Labour Office and of the meetings of the Conference or Governing Body shall be paid to the Director by the Secretary-General of the League of Nations out of the general funds of the League.

The Director shall be responsible to the Secretary-General of the League for the proper expenditure of all moneys paid to him in pursuance of this Article.

CHAPTER II.

PROCEDURE.

ARTICLE 400.

The agenda for all meetings of the Conference will be settled by the Governing Body, who shall consider any suggestion as to the agenda that may be made by the Government of any of the Members or by any representative organization recognized for the purpose of Article 389.

ARTICLE 401.

The Director shall act as the Secretary of the Conference, and shall transmit the agenda so as to reach the Members four months before the meeting of the Conference, and, through them, the non-Government Delegates when appointed.

ARTICLE 402.

Any of the Governments of the Members may formally object to the inclusion of any item or items in the agenda. The grounds for such objection shall be set forth in a reasoned statement addressed to the Director, who shall circulate it to all the Members of the Permanent Organization.

Items to which objection has been made shall not however, be excluded from the agenda, if at the Conference a majority of two-thirds of the votes cast by the Delegates present is in favour of considering them.

If the Conference decides (otherwise than under the preceding paragraph) by two-thirds of the votes cast by the Delegates present that any subject shall be considered by the Conference, that subject shall be included in the agenda for the following meeting.

ARTICLE 403.

The Conference shall regulate its own procedure, shall elect its own President, and may appoint committees to consider and report on any matter.

Except as otherwise expressly provided in this Part of the present Treaty, all matters shall be decided by a simple majority of the votes cast by the Delegates present.

The voting is void unless the total number of votes cast is equal to half the number of the Delegates attending the Conference.

ARTICLE 404.

The Conference may add to any committees which it appoints technical experts, who shall be assessors without power to vote.

ARTICLE 405.

When the Conference has decided on the adoption of proposals with regard to an item in the agenda, it will rest with the Conference to determine whether these proposals should take the form: (a) of a recommendation to be submitted to the Members for consideration with a view to effect being given to it by national legislation or otherwise, or (b) of a draft international convention for ratification by the Members.

In either case a majority of two-thirds of the votes cast by the Delegates present shall be necessary on the final vote for the adoption of the recommendation or draft convention, as the case may be, by the Conference.

In framing any recommendation or draft convention of general application the Conference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organization or other special circumstances make the industrial conditions substantially different and shall suggest the modifications, if any, which it considers may be required to meet the case of such countries.

A copy of the recommendation or draft convention shall be authenticated by the signature of the President of the Conference and of the Director and shall be deposited with the Secretary-General of the League of Nations. The Secretary-General will communicate a certified copy of the recommendation or draft convention, to each of the Members.

Each of the Members undertakes that it will, within the period of one year at most from the closing of the session of the Conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months from the closing of the session of the Conference bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

In the case of a recommendation, the Members will inform the Secretary-General of the action taken.

In the case of a draft convention, the Member will, if it obtains the consent of the authority or authorities within whose competence the matter lies, communicate the formal ratification of the convention to the Secretary-General and will take such action as may be necessary to make effective the provisions of such convention.

If on a recommendation no legislative or other action is taken to make a recommendation effective, or if the draft convention fails to obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the Member.

In the case of a federal State, the power of which to enter into conventions on labour matters is subject to limitations, it shall be in the discretion of that Government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this Article with respect to recommendations shall apply in such case.

The above Article shall be interpreted in accordance with the following principle:—

In no case shall any Member be asked or required, as a result of the adoption of any recommendation or draft convention by the Conference, to lessen the protection afforded by its existing legislation to the workers concerned.

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ARTICLE 406.

Any convention so ratified shall be registered by the Secretary-General of the League of Nations, but shall only be binding upon the Members which ratify it.

ARTICLE 407.

If any convention coming before the Conference for final consideration fails to secure the support of two-thirds of the votes cast by the Delegates present, it shall nevertheless be within the right of any of the Members of the Permanent Organization to agree to such convention among themselves.

Any convention so agreed to shall be communicated by the Government concerned to the Secretary-General of the League of Nations, who shall register it.

ARTICLE 408.

Each of the Members agrees to make an annual report to the International Labour Office on the measures which it has taken to give effect to the provisions of conventions to which it is a party. These reports shall be made in such form and shall contain such particulars as the Governing Body may request. The Director shall lay a summary of these reports before the next meeting of the Conference.

ARTICLE 409.

In the event of any representation being made to the International Labour Office by an industrial association of employers or of workers that any of the Members has failed to secure in any respect the effective observance within its jurisdiction of any convention to which it is a party, the Governing Body may communicate this representation to the Government against which it is made and may invite that Government to make such statement on the subject as it may think fit.

ARTICLE 410.

If no statement is received within a reasonable time from the Government in question, or if the statement when received is not deemed to be satisfactory by the Governing Body, the latter shall have the right to publish the representation and the statement, if any, made in reply to it.

ARTICLE 411.

Any of the Members shall have the right to file a complaint with the International Labour Office if it is not satisfied that any other Member is securing the effective observance of any convention which both have ratified in accordance with the foregoing Articles.

The Governing Body may, if it thinks fit, before referring such a complaint to a Commission of Inquiry, as hereinafter provided for, communicate with the Government in question in the manner described in Article 409.

If the Governing Body does not think it necessary to communicate the complaint to the Government in question, or if, when they have made such communication, no statement in reply has been received within a reasonable time which the Governing Body considers to be satisfactory, the Governing Body may apply for the appointment of a Commission of Inquiry to consider the complaint and to report thereon.

The Governing Body may adopt the same procedure either of its own motion or on receipt of a complaint from a Delegate to the Conference.

When any matter arising out of Articles 410 or 411 is being considered by the Governing Body, the Government in question shall, if not already represented thereon,

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be entitled to send a representative to take part in the proceedings of the Governing Body while the matter is under consideration. Adequate notice of the date on which the matter will be considered shall be given to the Government in question.

ARTICLE 412.

The Commission of Inquiry shall be constituted in accordance with the following provisions:—

Each of the Members agrees to nominate within six months of the date on which the present Treaty comes into force three persons of industrial experience, of whom one shall be a representative of employers, one a representative of workers, and one a person of independent standing, who shall together form a panel from which the Members of the Commission of Inquiry shall be drawn.

The qualifications of the persons so nominated shall be subject to scrutiny by the Governing Body, which may by two-thirds of the votes cast by the representatives present refuse to accept the nomination of any person whose qualifications do not in its opinion comply with the requirements of the present Article.

Upon the application of the Governing Body, the Secretary-General of the League of Nations shall nominate three persons, one from each section of this panel, to constitute the Commission of Inquiry, and shall designate one of them as the President of the Commission. None of these three persons shall be a person nominated to the panel by any Member directly concerned in the complaint.

ARTICLE 413.

The Members agree that, in the event of the reference of a complaint to a Commission of Inquiry under Article 411, they will each, whether directly concerned in the complaint or not, place at the disposal of the Commission all the information in their possession which bears upon the subject-matter of the complaint.

ARTICLE 414.

When the Commission of Inquiry has fully considered the complaint, it shall prepare a report embodying its findings on all questions of fact relevant to determining the issue between the parties and containing such recommendations as it may think proper as to the steps which should be taken to meet the complaint and the time within which they should be taken.

It shall also indicate in this report the measures, if any, of an economic character against a defaulting Government which it considers to be appropriate, and which it considers other Governments would be justified in adopting.

ARTICLE 415.

The Secretary-General of the League of Nations shall communicate the report of the Commission of Inquiry to each of the Governments concerned in the complaint, and shall cause it to be published.

Each of these Governments shall within one month inform the Secretary-General of the League of Nations whether or not it accepts the recommendation contained in the report of the Commission; and if not, whether it proposes to refer the complaint to the Permanent Court of International Justice of the League of Nations.

ARTICLE 416.

In the event of any Member failing to take the action required by Article 405, with regard to a recommendation or draft Convention, any other Member shall be entitled to refer the matter to the Permanent Court of International Justice.

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ARTICLE 417.

The decision of the Permanent Court of International Justice in regard to a complaint or matter which has been referred to it in pursuance of Article 415 or Article 416 shall be final.

ARTICLE 418.

The Permanent Court of International Justice may affirm, vary or reverse any of the findings or recommendations of the Commission of Inquiry, if any, and shall in its decision indicate the measures, if any, of an economic character which it considers to be appropriate, and which other Governments would be justified in adopting against a defaulting Government.

ARTICLE 419.

In the event of any Member failing to carry out within the time specified the recommendations, if any, contained in the report of the Commission of Inquiry, or in the decision of the Permanent Court of International Justice, as the case may be, any other Member may take against that Member the measures of an economic character indicated in the report of the Commission or in the decision of the Court as appropriate to the case.

ARTICLE 420.

The defaulting Government may at any time inform the Governing Body that it has taken the steps necessary to comply with the recommendations of the Commission of Inquiry or with those in the decision of the Permanent Court of International Justice, as the case may be, and may request it apply to the Secretary-General of the League to constitute a Commission of Inquiry to verify its contention. In this case the provisions of Articles 412, 413, 414, 415, 417, and 418 shall apply, and if the report of the Commission of Inquiry or the decision of the Permanent Court of International Justice is in favour of the defaulting Government, the other Governments shall forthwith discontinue the measures of an economic character that they have taken against the defaulting Government.

CHAPTER III.

GENERAL.

ARTICLE 421.

The Members engage to apply conventions which they have ratified in accordance with the provisions of this Part of the present Treaty to their colonies, protectorates and possessions which are not fully self-governing.

- (1) Except where owing to the local conditions the conventions are inapplicable, or
- (2) Subject to such modifications as may be necessary to adapt the convention to local conditions.

And each of the Members shall notify to the International Labour Office the action taken in respect of each of its colonies, protectorates and possessions which are not fully self-governing.

ARTICLE 422.

Amendments to this Part of the present Treaty which are adopted by the Conference by a majority of two-thirds of the votes cast by the Delegates present shall take effect when ratified by the States whose representatives compose the Council of the League of Nations and by three-fourths of the Members.

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ARTICLE 423.

Any question or dispute relating to the interpretation of this Part of the present Treaty or of any subsequent convention concluded by the Members in pursuance of the provisions of this Part of the present Treaty shall be referred for decision to the Permanent Court of International Justice.

CHAPTER IV.

TRANSITORY PROVISIONS.

ARTICLE 424.

The first meeting of the Conference shall take place in October, 1919. The place and agenda for this meeting shall be as specified in the Annex hereto.

Arrangements for the convening and the organization of the first meeting of the Conference will be made by the Government designated for the purpose in the said Annex. That Government shall be assisted in the preparation of the documents for submission to the Conference by an International Committee constituted as provided in the said Annex.

The expenses of the first meeting and of all subsequent meetings held before the League of Nations has been able to establish a general fund, other than the expenses of Delegates and their advisers, will be borne by the Members in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union.

ARTICLE 425.

Until the League of Nations has been constituted all communications which under the provisions of the foregoing Articles should be addressed to the Secretary-General of the League will be preserved by the Director of the International Labour Office, who will transmit them to the Secretary-General of the League.

ARTICLE 426.

Pending the creation of a Permanent Court of International Justice, disputes which in accordance with this Part of the present Treaty would be submitted to it for decision will be referred to a tribunal of three persons appointed by the Council of the League of Nations.

ANNEX.

FIRST MEETING OF ANNUAL LABOUR CONFERENCE, 1919.

The place of meeting will be Washington.

The Government of the United States of America is requested to convene the Conference.

The International Organizing Committee will consist of seven Members, appointed by the United States of America, Great Britain, France, Italy, Japan, Belgium and Switzerland. The Committee may, if it thinks necessary, invite other Members to appoint representatives.

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Agenda:

- (1) Application of principle of the 8-hours day or of the 48-hours week.
- (2) Question of preventing or providing against unemployment.
- (3) Women's employment:
 - (a) Before and after child-birth, including the question of maternity benefit;
 - (b) During the night;
 - (c) In unhealthy processes.
- (4) Employment of children:
 - (a) Minimum age of employment;
 - (b) During the night;
 - (c) In unhealthy processes.
- (5) Extension and application of the International Conventions adopted at Berne in 1906 on the prohibition of night work for women employed in industry, and the prohibition of the use of white phosphorus in the manufacture of matches.

SECTION II.

GENERAL PRINCIPLES.

ARTICLE 427.

The High Contracting Parties, recognizing that the well-being, physical, moral and intellectual, of industrial wage-earners is of supreme international importance, have framed, in order to further this great end, the permanent machinery provided for in Section I and associated with that of the League of Nations.

They recognize that differences of climate, habits and customs, of economic opportunity and industrial tradition, make strict uniformity in the conditions of labour difficult of immediate attainment. But, holding as they do, that labour should not be regarded merely as an article of commerce, they think that there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

Among these methods and principles, the following seem to the High Contracting Parties to be of special and urgent importance:

First.—The guiding principle above enunciated that labour should not be regarded merely as a commodity or article of commerce.

Second.—The right of association for all lawful purposes by the employed as well as by the employers.

Third.—The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.

Fourth.—The adoption of an eight hours day or a forty-eight hours week as the standard to be aimed at where it has not already been attained.

Fifth.—The adoption of a weekly rest of at least twenty-four hours, which should include Sunday wherever practicable.

Sixth.—The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.

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Seventh.—The principle that men and women should receive equal remuneration for work of equal value.

Eighth.—The standard set by law in each country with respect to the conditions of labour should have due regard to the equitable economic treatment of all workers lawfully resident therein.

Ninth.—Each State should make provision for a system of inspection in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the employed.

Without claiming that these methods and principles are either complete or final, the high contracting parties are of opinion that they are well fitted to guide the policy of the League of Nations; and that, if adopted by the industrial communities who are members of the League, and safeguarded in practice by an adequate system of such inspection, they will confer lasting benefits upon the wage-earners of the world.

PART XIV.**GUARANTEES.**

SECTION I.**Western Europe.**

ARTICLE 428.

As a guarantee for the execution of the present Treaty by Germany, the German territory situated to the west of the Rhine, together with the bridgeheads, will be occupied by Allied and Associated troops for a period of fifteen years from the coming into force of the present Treaty.

ARTICLE 429.

If the conditions of the present Treaty are faithfully carried out by Germany, the occupation referred to in Article 428 will be successively restricted as follows:

(1) At the expiration of five years there will be evacuated: the bridgehead of Cologne and the territories north of a line running along the Ruhr, then along the railway Jülich, Duren, Euskirchen, Rheinbach, thence along the road Rheinbach to Sinzig, and reaching the Rhine at the confluence with the Ahr; the roads, railways and places mentioned above being excluded from the area evacuated.

(2) At the expiration of ten years there will be evacuated: the bridgehead of Coblenz and the territories north of a line to be drawn from the intersection between the frontiers of Belgium, Germany and Holland, running about 4 kilometers south of Aix-la-Chapelle, then to and following the crest of Forst Gemünd, then east of the railway of the Urft Valley, then along Blankenheim, Valdorf, Dreis, Ulmen to and following the Moselle from Bremm to Nehren, then passing by Kappel and Simmern, then following the ridge of the heights between Simmern and the Rhine, and reaching this river at Bacharach; all the places, valleys, roads and railways mentioned above being excluded from the area evacuated.

(3) At the expiration of fifteen years there will be evacuated: the bridgehead of Mainz, the bridgehead of Kehl and the remainder of the German territory under occupation.

If at that date the guarantees against unprovoked aggression by Germany are not considered sufficient by the Allied and Associated Governments, the evacuation of the occupying troops may be delayed to the extent regarded as necessary for the purpose of obtaining the required guarantees.

ARTICLE 430.

In case either during the occupation or after the expiration of the fifteen years referred to above the Reparation Commission finds that Germany refuses to observe the whole or part of her obligations under the present Treaty with regard to reparation, the whole or part of the areas specified in Article 429 will be re-occupied immediately by the Allied and Associated forces.

ARTICLE 431.

If before the expiration of the period of fifteen years Germany complies with all the undertakings resulting from the present Treaty, the occupying forces will be withdrawn immediately.

ARTICLE 432.

All matters relating to the occupation and not provided for by the present Treaty shall be regulated by subsequent agreements, which Germany hereby undertakes to observe.

SECTION II.

Eastern Europe.

ARTICLE 433.

As a guarantee for the execution of the provisions of the present Treaty, by which Germany accepts definitely the abrogation of the Brest-Litovsk Treaty, and of all treaties, conventions and agreements entered into by her with the Maximalist Government in Russia, and in order to ensure the restoration of peace and good government in the Baltic Provinces and Lithuania, all German troops at present in the said territories shall return to within the frontiers of Germany as soon as the Governments of the Principal Allied and Associated Powers shall think the moment suitable, having regard to the internal situation of these territories. These troops shall abstain from all requisitions and seizures and from any other coercive measures, with a view to obtaining supplies intended for Germany, and shall in no way interfere with such measures for national defence as may be adopted by the Provisional Governments of Esthonia, Latvia and Lithuania.

No other German troops shall, pending the evacuation or after the evacuation is complete, be admitted to the said territories.

PART XV.

MISCELLANEOUS PROVISIONS.

ARTICLE 434.

Germany undertakes to recognize the full force of the Treaties of Peace and Additional Conventions which may be concluded by the Allied and Associated Powers with the Powers who fought on the side of Germany and to recognize whatever dispositions may be made concerning the territories of the former Austro-Hungarian Monarchy, of the Kingdom of Bulgaria and of the Ottoman Empire, and to recognize the new States within their frontiers as there laid down.

ARTICLE 435.

The High Contracting Parties, while they recognize the guarantees stipulated by the Treaties of 1815, and especially by the Act of November 20, 1815, in favour of Switzerland, the said guarantees constituting international obligations for the maintenance of peace, declare nevertheless that the provisions of these treaties, conventions, declarations and other supplementary Acts concerning the neutralized zone of Savoy, as laid down in paragraph 1 of Article 92 of the Final Act of the Congress of Vienna and in paragraph 2 of Article 3 of the Treaty of Paris of November 20, 1815, are no longer consistent with present conditions. For this reason the High Contracting Parties take note of the agreement reached between the French Government and the Swiss Government for the abrogation of the stipulations relating to this zone which are and remain abrogated.

The High Contracting Parties also agree that the stipulations of the Treaties of 1815 and of the other supplementary Acts concerning the free zones of Upper Savoy and the Gex districts are no longer consistent with present conditions, and that it is for France and Switzerland to come to an agreement together with a view to settling between themselves the status of these territories under such conditions as shall be considered suitable by both countries.

ANNEX.

I.

The Swiss Federal Council has informed the French Government May 5, 1919, that after examining the provisions of Article 435 in a like spirit of sincere friendship it has happily reached the conclusion that it was possible to acquiesce in it under the following conditions and reservations:—

(1) The neutralized zone of Haute-Savoie:—

(a) It will be understood that as long as the Federal Chambers have not ratified the agreement come to between the two Governments concerning the abrogation of the stipulations in respect of the neutralized zone of Savoy, nothing will be definitely settled, on one side or the other, in regard to this subject.

(b) The assent given by the Swiss Government to the abrogation of the above mentioned stipulations presupposes, in conformity with the text adopted, the recognition of the guarantees formulated in favour of Switzerland by the Treaties of 1815 and particularly by the Declaration of November 20, 1815.

(c) The agreement between the Governments of France and Switzerland for the abrogation of the above mentioned stipulations will only be considered as valid if the Treaty of Peace contains this Article in its present wording. In addition the Parties to the Treaty of Peace should endeavour to obtain the assent of the signatory Powers of the Treaties of 1815 and of the Declaration of November 20, 1815, which are not signatories of the present Treaty of Peace.

(2) Free zone of Haute-Savoie and the district of Gex:

(a) The Federal Council makes the most express reservations to the interpretation to be given to the statement mentioned in the last paragraph of the above Article for insertion in the Treaty of Peace, which provides that "the stipulations of the Treaties of 1815 and other supplementary acts concerning the free zones of Haute-Savoie and the Gex district are no longer consistent with present conditions." The Federal Council would not wish that its acceptance of the above wording should lead to the conclusion that it would agree to the suppression of a system intended to give neighbouring territory the benefit of a special regime which is appropriate to the geographical and economical situation and which has been well tested.

In the opinion of the Federal Council the question is not the modification of the customs system of the zones as set up by the Treaties mentioned above, but only the regulation in a manner more appropriate to the economic conditions of the present day of the terms of the exchange of goods between the regions in question. The Federal Council has been led to make the preceding observations by the perusal of the draft Convention concerning the future constitution of the zones which was annexed to the note of April 26 from the French Government. While making the above reservations the Federal Council declares its readiness to examine in the most friendly spirit any proposals which the French Government may deem it convenient to make on the subject.

(b) It is conceded that the stipulations of the Treaties of 1815 and other supplementary acts relative to the free zones will remain in force until a new arrangement is come to between France and Switzerland to regulate matters in this territory.

II

The French Government have addressed to the Swiss Government, on May 18, 1919, the following note in reply to the communication set out in the preceding paragraph.

In a note dated May 5 the Swiss Legation in Paris was good enough to inform the Government of the French Republic that the Federal Government adhered to the proposed Article to be inserted in the Treaty of Peace between the Allied and Associated Governments and Germany.

The French Government have taken note with much pleasure of the agreement thus reached, and at their request the proposed Article which has been accepted by the Allied and Associated Governments has been inserted under No. 435 in the Peace conditions presented to the German Plenipotentiaries.

The Swiss Government, in their note of May 5 on this subject, have expressed various views and reservations.

Concerning the observations relating to the free zones of Haute-Savoie and the Gex district, the French Government have the honour to observe that the provisions of the last paragraph of Article 435 are so clear that their purport cannot be misappre-

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hended, especially where it implies that no other Power but France and Switzerland will in future be interested in that question.

The French Government, on their part, are anxious to protect the interests of the French territories concerned, and, with that object, having their special situation in view, they bear in mind the desirability of assuring them a suitable customs régime and determining, in a manner better suited to present conditions, the methods of exchanges between these territories and the adjacent Swiss territories, while taking into account the reciprocal interests of both regions.

It is understood that this must in no way prejudice the right of France to adjust her customs line in this region in conformity with her political frontier as is done on the other portions of her territorial boundaries and as was done by Switzerland long ago on her own boundaries in this region.

The French Government are pleased to note on this subject in what a friendly disposition the Swiss Government take this opportunity of declaring their willingness to consider any French proposal dealing with the system to be substituted for the present régime of the said free zones, which the French Government intend to formulate in the same friendly spirit.

Moreover, the French Government have no doubt that the provisional maintenance of the régime of 1815 as to the free zones referred to in the above mentioned paragraph of the note from the Swiss Legation of May 5, whose object is to provide for the passage from the present régime to the conventional régime, will cause no delay whatsoever in the establishment of the new situation which has been found necessary by the two Governments. This remark applies also to the ratification by the Federal Chambers, dealt with in paragraph 1 (a), of the Swiss note of May 5, under the heading "Neutralized zone of Haute-Savoie."

ARTICLE 436.

The High Contracting Parties declare and place on record that they have taken note of the Treaty signed by the Government of the French Republic on July 17, 1918, with His Serene Highness the Prince of Monaco defining the relations between France and the Principality.

ARTICLE 437.

The High Contracting Parties agree that, in the absence of a subsequent agreement to the contrary, the Chairman of any Commission established by the present Treaty shall in the event of an equality of votes be entitled to a second vote.

ARTICLE 438.

The Allied and Associated Powers agree that where Christian religious missions were being maintained by German societies or persons in territory belonging to them, or of which the Government is entrusted to them in accordance with the present Treaty, the property which these missions or missionary societies possessed, including that of trading societies whose profits were devoted to the support of missions, shall continue to be devoted to missionary purposes. In order to ensure the due execution of this undertaking the Allied and Associated Governments will hand over such property to boards of trustees appointed by or approved by the Governments and composed of persons holding the faith of the Mission whose property is involved.

The Allied and Associated Governments, while continuing to maintain full control as to the individuals by whom the Missions are conducted, will safeguard the interests of such Missions.

Germany, taking note of the above undertaking, agrees to accept all arrangements made or to be made by the Allied or Associated Government concerned for carrying on the work of the said missions or trading societies and waives all claims on their behalf.

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ARTICLE 439.

Without prejudice to the provisions of the present Treaty, Germany undertakes not to put forward directly or indirectly against any Allied or Associated Power, signatory of the present Treaty, including those which without having declared war, have broken off diplomatic relations with the German Empire, any pecuniary claim based on events which occurred at any time before the coming into force of the present Treaty.

The present stipulation will bar completely and finally all claims of this nature, which will be thenceforward extinguished, whoever may be the parties in interest.

ARTICLE 440.

Germany accepts and recognizes as valid and binding all decrees and orders concerning German ships and goods and all orders relating to the payment of costs made by any Prize Court of any of the Allied or Associated Powers, and undertakes not to put forward any claim arising out of such decrees or orders on behalf of any German national.

The Allied and Associated Powers reserve the right to examine in such manner as they may determine all decisions and orders of German Prize Courts, whether affecting the property rights of nationals of those Powers or of neutral Powers. Germany agrees to furnish copies of all the documents constituting the record of the cases, including the decisions and orders made, and to accept and give effect to the recommendations made after such examination of the cases.

THE PRESENT TREATY, of which the French and English texts are both authentic, shall be ratified.

The deposit of ratifications shall be made at Paris as soon as possible.

Powers of which the seat of the Government is outside Europe will be entitled merely to inform the Government of the French Republic through their diplomatic representative at Paris that their ratification has been given; in that case they must transmit the instrument of ratification as soon as possible.

A first procès-verbal of the deposit of ratifications will be drawn up as soon as the Treaty has been ratified by Germany on the one hand, and by three of the Principal Allied and Associated Powers on the other hand.

From the date of this first procès-verbal the Treaty will come into force between the High Contracting Parties who have ratified it. For the determination of all periods of time provided for in the present Treaty this date will be the date of the coming into force of the Treaty.

In all other respects the Treaty will enter into force for each Power at the date of the deposit of its ratification.

The French Government will transmit to all the signatory Powers a certified copy of the procès-verbaux of the deposit of ratifications.

IN FAITH WHEREOF the above-named Plenipotentiaries have signed the present Treaty.

Done at Versailles, the twenty-eighth day of June, one thousand nine hundred and nineteen, in a single copy which will remain deposited in the archives of the French Republic, and of which authenticated copies will be transmitted to each of the Signatory Powers.

(L. S.) WOODROW WILSON.
(L. S.) ROBERT LANSING.
(L. S.) HENRY WHITE.
(L. S.) E. M. HOUSE.
(L. S.) TASKER H. BLISS.
(L. S.) D. LLOYD GEORGE.

(L. S.) ISMAEL MONTIES.
(L. S.) CALOGERAS.
(L. S.)
(L. S.) RODRIGO OCGAVIO.
(L. S.)
(L. S.)

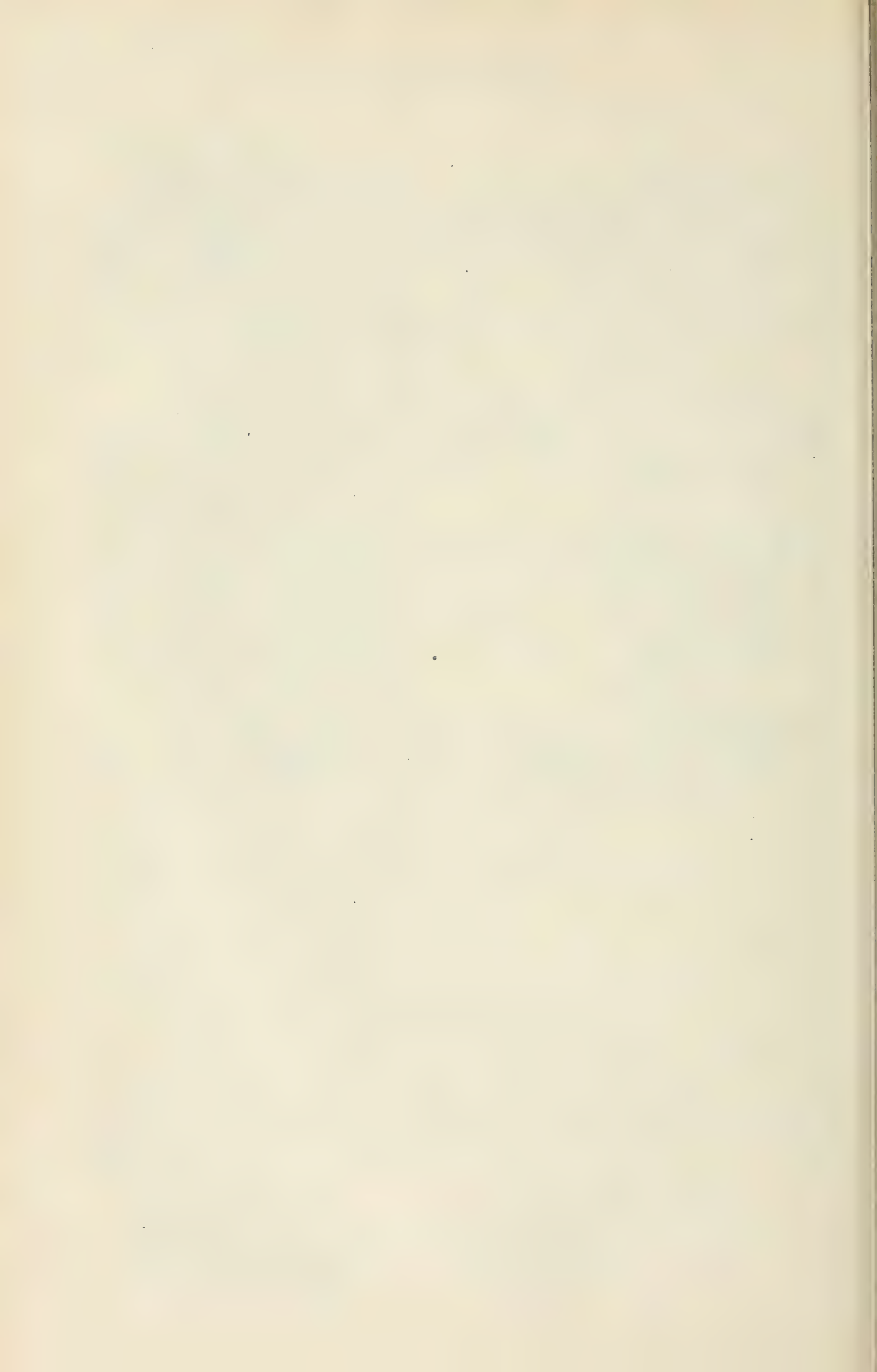
SESSIONAL PAPER No. 41

(L. S.) A. BONAR LAW.
 (L. S.) MILNER.
 (L. S.) ARTHUR JAMES BALFOUR.
 (L. S.) GEORGE N. BARNES.
 (L. S.) CHAS. J. DOHERTY.
 (L. S.) ARTHUR L. SIFTON.
 (L. S.) W. M. HUGHES.
 (L. S.) JOSEPH COOK.
 (L. S.) LOUIS BOTHA.
 (L. S.) J. CHR. SMUTS.
 (L. S.) W. F. MASSEY.
 (L. S.) ED. S. MONTAGU.
 (L. S.) GANGA SINGH, MAHARAJA

DE BIKANER.

(L. S.) G. CLEMENCEAU.
 (L. S.) S. PICHON.
 (L. S.) L. L. KLOTZ.
 (L. S.) ANDRÉ TARDIEU.
 (L. S.) JULES CAMBON.
 (L. S.) SIDNEY SONNINO.
 (L. S.) IMPERIALI.
 (L. S.) SILVIO CRESPI.
 (L. S.) SAIONZI.
 (L. S.) N. MAKINO.
 (L. S.) S. CHINDA.
 (L. S.) K. MATSUI.
 (L. S.) H. IJUIN.
 (L. S.) HYMANS.
 (L. S.) J. VAN DEN HEUVEL.
 (L. S.) EMILE VANDERVELDE.

(L. S.) ANTONIO S. DE BUSTAMANTE.
 (L. S.) E. DORN Y DE ALSUA.
 (L. S.) ELEFTHERIOS VENISELOS.
 (L. S.) NICOLAS POLITIS.
 (L. S.) JOAQUIN MENDEZ.
 (L. S.) TERTULLIEN GUILBAUD.
 (L. S.) M. RUSTEM HAIDAR.
 (L. S.) ABDUL HADI AOUNI.
 (L. S.) P. BONILLA.
 (L. S.) C. D. B. KING.
 (L. S.) SALVADOR CHAMORRO.
 (L. S.) ANTONIO BURGOS.
 (L. S.) C. G. CANDAMO.
 (L. S.) I. J. PADEREWSKI.
 (L. S.) ROMAN DMOWSKI.
 (L. S.) AFFONSO COSTA.
 (L. S.) AUGUSTO SOARES.
 (L. S.) ION I. C. BRATIANO.
 (L. S.) GENERAL C. COANDA.
 (L. S.) NIK. P. PACHITCH.
 (L. S.) DR. ANTE TRUMBIC.
 (L. S.) MIL. R. VESNITCH.
 (L. S.) CHAROON.
 (L. S.) TRAILOS PRABANDHU.
 (L. S.) KAREL KRAMAR.
 (L. S.) DR. EDWARD BENES.
 (L. S.) J. A. BUERO.
 (L. S.) HERMANN MÜELLER.
 (L. S.) DR. BELL.



PROTOCOL

[41A]

With a view to indicating precisely the conditions in which certain provisions of the Treaty of even date are to be carried out, it is agreed by the HIGH CONTRACTING PARTIES that:

(1) A Commission will be appointed by the Principal Allied and Associated Powers to supervise the destruction of the fortifications of Heligoland in accordance with the Treaty. This Commission will be authorized to decide what portion of the works protecting the coast from sea erosion are to be maintained and what portion must be destroyed;

(2) Sums reimbursed by Germany to German nationals to indemnify them in respect of the interests which they may be found to possess in the railways and mines referred to in the second paragraph of Article 156 shall be credited to Germany against the sums due by way of reparation;

(3) The list of persons to be handed over to the Allied and Associated Governments by Germany under the second paragraph of Article 228 shall be communicated to the German Government within a month from the coming into force of the Treaty;

(4) The Reparation Commission referred to in Article 240 and paragraphs 2, 3 and 4 of Annex IV cannot require trade secrets or other confidential information to be divulged;

(5) From the signature of the Treaty and within the ensuing four months Germany will be entitled to submit for examination by the Allied and Associated Powers documents and proposals in order to expedite the work connected with reparation, and thus to shorten the investigation and to accelerate the decisions;

(6) Proceedings will be taken against persons who have committed punishable offences in the liquidation of German property, and the Allied and Associated Powers will welcome any information or evidence which the German Government can furnish on this subject.

Done at Versailles, the twenty-eighth day of June, one thousand nine hundred and nineteen.

WOODROW WILSON.
ROBERT LANSING.
HENRY WHITE.
E. M. HOUSE.
TASKER H. BLISS.
D. LLOYD GEORGE.
A. BONAR LAW.
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SALVADOR CHAMORRO.
ANTONIO BURGOS.
C. G. CANDAMO.

10 GEORGE V, A. 1919

GANGA SINGH, MAHARAJA DE BIKANER.
G. CLEMENCEAU.
S. PICHON.
L. L. KLOTZ.
ANDRÉ TARDIEU.
JULES CAMBON.
SIDNEY SONNINO.
IMPERIALI.
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K. MATSUI.
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HYMANS.

I. J. PADEREWSKI.
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AFFONSO COSTA.
AUGUSTO SOARES.
ION I. C. BRATIANO.
GENERAL C. COANDA.
NIK. P. PACHITCH.
DR. ANTE TRUMBIC.
MIL. R. VESNITCH.
CHAROON.
TRAIDOS PRABANDHU.
KAREL KRAMAR.
DR. EDWARD BENES.
J. A. BUERO.
HERMANN MÜLLER.
DR. BELL.

Agreement with regard to the Military Occupation of the Territories of the Rhine.

[41B]

between the UNITED STATES OF AMERICA, BELGIUM, the BRITISH EMPIRE, and FRANCE,

of the one part,

and GERMANY,

of the other part,

with regard to the military occupation of the territories of the Rhine.

The Undersigned, acting under the powers conferred upon them by their respective Governments, have come to the following agreement as provided for in Article 432 of the Treaty of Peace of even date.

ARTICLE 1.

In accordance with Article 428 and the following Articles of the Treaty of even date, the armed forces of the Allied and Associated Powers will continue in occupation of German territory (as such occupation is defined by Article 5 of the Armistice Convention of the 11th November, 1918, as extended by Article 7 of the Additional Convention of the 16th January, 1919), as a guarantee of the execution by Germany of the Treaty.

No German troops, except prisoners of war in process of repatriation, shall be admitted to the occupied territories, even in transit; but police forces of a strength to be determined by the Allied and Associated Powers may be maintained in these territories for the purpose of ensuring order.

ARTICLE 2.

There shall be constituted a civilian body styled the *Inter-Allied Rhineland High Commission*, and hereinafter called the *High Commission*, which, except in so far as the Treaty may otherwise provide, shall be the supreme representative of the Allied and Associated Powers within the occupied territory. It shall consist of four members representing Belgium, France, Great Britain and the United States.

ARTICLE 3.

(a) The High Commission shall have the power to issue ordinances so far as may be necessary for securing the maintenance, safety and requirements of the Allied and Associated forces. Such ordinances shall be published under the authority of the High Commission, and copies thereof shall be sent to each of the Allied and Associated Governments and also to the German Government.

When so published they shall have the force of law and shall be recognized as such by all the Allied and Associated military authorities and by the German civil authorities.

(b) The members of the High Commission shall enjoy diplomatic privileges and immunities.

(c) The German courts shall continue to exercise civil and criminal jurisdiction subject to the exceptions contained in paragraphs (d) and (e) below.

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(d) The armed forces of the Allied and Associated Powers and the persons accompanying them, to whom the General Officers Commanding the Armies of Occupation shall have issued a revokable pass, and any persons employed by, or in the service of such troops, shall be exclusively subject to the military law and jurisdiction of such forces.

(e) Any person who commits any offence against the persons or property of the armed forces of the Allied and Associated Powers may be made amenable to the military jurisdiction of the said forces.

ARTICLE 4.

The German authorities, both in the occupied and in the unoccupied territories, shall, on the demand of any duly authorized military officer of the occupying forces, arrest and hand over to the nearest commander of the Allied or Associated troops any person charged with an offence who is amenable under paragraph (d) or paragraph (e) of Article 3 above to the military jurisdiction of the Allied or Associated Forces.

ARTICLE 5.

The civil administration of the province (*Provinzen*), Government departments (*Regierungsbezirke*), Urban Circles (*Stadtkreise*), Rural Circles (*Landkreise*), and Communes (*Gemeinde*), shall remain in the hands of the German Authorities, and the civil administration of these areas shall continue under German law and under the authority of the Central German Government, except in so far as it may be necessary for the High Commission by Ordinance under Article 3 to adapt that administration to the needs and circumstances of military occupation. It is understood that the German authorities shall be obliged, under penalty of removal, to conform to the ordinances issued in virtue of Article 3 above.

ARTICLE 6.

The right to requisition in kind and to demand services in the manner laid down in the Hague Convention, 1907, shall be exercised by the Allied and Associated Armies of Occupation.

The charges for the requisitions effected in the zone of each Allied and Associated army and the estimate of damage caused by the troops of occupation shall be determined by local Commissions composed in equal representation of German civilians appointed by the German civil authorities and Allied or Associated military officers, and presided over by some person appointed by the High Commission.

The German Government shall continue to be responsible for the cost of maintenance of the troops of occupation under the conditions fixed by the Treaty. The German Government shall also be responsible for the costs and expenses of the High Commission, and for its housing. Suitable premises for the housing of the High Commission shall be selected after consultation with the German Government.

ARTICLE 7.

The Allied and Associated troops shall continue undisturbed in possession of any premises at present occupied by them, subject to the provision of Article 8 (b) below.

ARTICLE 8.

(a) The German Government shall undertake, moreover, to place at the disposal of the Allied and Associated troops and to maintain in good state of repair all the military establishments required for the said troops, with the necessary furniture,

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heating and lighting, in accordance with the regulations concerning these matters in force in the various armies concerned. These shall include accommodation for officers and men, guard rooms, officers, administrative, regimental and staff headquarters, workshops, store-rooms, hospitals, laundries, regimental schools, riding schools, stables, training grounds and rifle and artillery ranges, aviation grounds, grazing grounds, warehouses for supplies and grounds for military manœuvres, also theatre and cinema premises, and reasonable facilities for sport and for recreation grounds for the troops.

(b) Private soldiers and non-commissioned officers shall be accommodated in barracks, and shall not be billeted on the inhabitants, except in cases of exceptional emergency.

In the event of the existing military establishments being insufficient or not being considered suitable, the Allied and Associated troops may take possession of any other public or private establishment with its personnel, suitable for those purposes, or, if there are no such suitable premises, they may require the construction of new barracks.

Civilian and military officers and their families may be billeted on the inhabitants in accordance with the billeting regulations in force in each army.

ARTICLE 9.

No German direct taxes or duties will be payable by the High Commission, the Allied and Associated armies or their personnel.

Food supplies, arms, clothing equipment and provisions of all kinds for the use of the Allied and Associated armies, or addressed to the military authorities, or to the High Commission, or to canteens and officers' messes, shall be transported free of charge and free of all import duties of any kind.

ARTICLE 10.

The personnel employed on all means of communication (railways, railroads and tramways of all kinds, waterways (including the Rhine), roads and rivers), shall obey any orders given by, or on behalf of, the Commander-in-Chief of the Allied and Associated armies for military purposes.

All the material and all the civil personnel necessary for the maintenance and working of all means of communication must be kept intact on all such means of communication in the occupied territory.

The transport on the railways of troops or individual soldiers or officers, on duty or furnished with a warrant, will be effected without payment.

ARTICLE 11.

The Armies of Occupation may continue to use for military purposes all existing telegraphic and telephonic installations.

The Armies of Occupation shall also have the right to continue to install and use military telegraph and telephone lines, wireless stations and all other similar means of communication which may appear to them expedient. For this purpose, subject to the approval of the High Commission, they may enter upon and occupy any land, whether public or private.

The personnel of the public telegraph and telephone services shall continue to obey the orders of the Commander-in-Chief of the Allied and Associated Armies given for military purposes.

Telegrams and messages to or from the Allied and Associated authorities and the High Commission and of an official nature shall be entitled to priority over all other

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communications and shall be despatched free of charge. The Allied and Associated military authorities shall have the right to supervise the order in which such communications are transmitted.

No wireless telegraphy installations shall be allowed to be erected by the authorities or by the inhabitants of the occupied territory without previous authorisation by the Allied and Associated military authorities.

ARTICLE 12.

The personnel of the postal service shall obey any orders given by or on behalf of the Commander-in-Chief of the Allied and Associated Armies for military purposes. The public postal service shall continue to be carried out by the German authorities, but this shall not in any way affect the retention of the military postal services organised by the Armies of Occupation, who shall have the right to use all existing postal routes for military requirements.

The said armies shall have the right to run postal wagons with all necessary personnel on all existing postal routes.

The German Government shall transmit free of charge and without examination letters and parcels which may be entrusted to its post-offices by or for the Armies of Occupation or by or for the High Commission; and shall be responsible for the value of any letters or parcels lost.

ARTICLE 13.

The High Commission shall have the power, whenever they think it necessary, to declare a state of seige in any part of the territory or in the whole of it. Upon such declaration the military authorities shall have the powers provided in the German Imperial Law of May 30th, 1892.

In case of emergency, where public order is disturbed or threatened in any district, the local military authorities shall have the power to take such temporary measures as may be necessary for restoring order. In such case the military authorities shall report the facts to the High Commission.

Done at Versailles, the twenty-eighth day of June, one thousand nine hundred and nineteen.

WOODROW WILSON.
ROBERT LANSING.
HENRY WHITE.
E. M. HOUSE.
TASKER H. BLISS.
D. LLOYD GEORGE.
A. BONAR LAW.
MILNER.
ARTHUR JAMES BALFOUR.
GEORGE N. BARNES.
CHAS. J. DOHERTY.
ARTHUR L. SIFTON.
W. M. HUGHES.
JOSEPH COOK.
LOUIS BOTHA.

J. C. SMUTS.
W. F. MASSEY.
ED. S. MONTAGU.
GANGA SINGH, MAHARAJA DE BIKANER.
G. CLEMENCEAU.
S. PICHON.
L. L. KLOTZ.
ANDRÉ TARDIEU.
JULES CAMBON.
HYMANS.
J. VAN DEN HEUVEL.
EMILE VANDERVELDE.
HERMANN MÜLLER.
DR. BELL.

Letter to the President of the German Delegation covering the Reply of the Allied and Associated Powers.

PEACE CONFERENCE

[41c.]

THE PRESIDENT

To His Excellency,

Count BROCKDORFF-RANTZAU, President of the German Delegation, Versailles.

PARIS, June 16th, 1919.

SIR,

The Allied and Associated Powers have given the most earnest consideration to the observations of German Delegation on the Conditions of Peace. The reply protests against the peace both on the ground that it conflicts with the terms upon which the Armistice of November 11th, 1918, was signed, and that it is a peace of violence and not of justice. The protest of the German Delegation shows that they utterly fail to understand the position in which Germany stands to-day. They seem to think that Germany has only to "make sacrifices in order to attain peace," as if this were but the end of some mere struggle for territory and power.

I

The Allied Associated Powers therefore feel it necessary to begin their reply by a clear statement of the judgment passed upon the war by practically the whole of civilised mankind.

In the view of the Allied and Associated Powers the war which began on August 1st, 1914, was the greatest crime against humanity and the freedom of peoples that any nation, calling itself civilised, has ever consciously committed. For many years the rulers of Germany, true to the Prussian tradition, strove for a position of dominance in Europe. They were not satisfied with that growing prosperity and influence to which Germany was entitled, and which all other nations were willing to accord her, in the society of free and equal peoples. They required that they should be able to dictate and tyrannise to a subservient Europe, as they dictated and tyrannised over a subservient Germany.

In order to attain their ends they used every channel in their power through which to educate their own subjects in the doctrine that might was right in international affairs. They never ceased to expand German armaments by land and sea, and to propagate the falsehood that this was necessary because Germany's neighbours were jealous of her prosperity and power. They sought to sow hostility and suspicion instead of friendship between nations. They developed a system of espionage and intrigue which enabled them to stir up internal rebellion and unrest and even to make secret offensive preparations within the territory of their neighbours whereby they might, when the moment came, strike them down with greater certainty and ease. They kept Europe in a ferment by threats of violence and when they found that their neighbours were resolved to resist their arrogant will, they determined to assist their predominance in Europe by force.

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As soon as their preparations were complete, they encouraged a subservient ally to declare war against Serbia at 48 hours notice, knowing full well that a conflict involving the control of the Balkans, could not be localized and almost certainly meant a general war. In order to make doubly sure, they refused every attempt at conciliation and conference until it was too late, and the world war was inevitable for which they had plotted, and for which alone among the nations they were fully equipped and prepared.

Germany's responsibility, however, is not confined to having planned and started the war. She is no less responsible for the savage and inhuman manner in which it was conducted.

Though Germany herself was a guarantor of Belgium, the ruler of Germany violated, after a solemn promise to respect it, the neutrality of this unoffending people. Not content with this they deliberately carried out a series of promiscuous shootings and burnings with the sole object of terrifying the inhabitants into submission by the very frightfulness of their action. They were the first to use poisonous gas, notwithstanding the appalling suffering it entailed. They began the bombing and long distance shelling of towns for no military object, but solely for the purpose of reducing the morale of their opponents by striking at their women and children. They commenced the submarine campaign with its piratical challenge to international law, and its destruction of great numbers of innocent passengers and sailors, in mid ocean, far from succour, at the mercy of the winds and the waves, and the yet more ruthless submarine crews. They drove thousands of men and women and children with brutal savagery into slavery in foreign lands. They allowed barbarities to be practised against their prisoners of war from which the most uncivilised peoples would have recoiled.

The conduct of Germany is almost unexampled in human history. The terrible responsibility which lies at her doors can be seen in the fact that not less than seven million dead lie buried in Europe, while more than twenty million others carry upon them the evidence of wounds and sufferings, because Germany saw fit to gratify her lust for tyranny by resort to war.

The Allied and Associated Powers believe that they will be false to those who have given their all to save freedom of the world if they consent to treat this war on any other basis than as a crime against humanity and right.

This attitude of the Allied and Associated Powers was made perfectly clear to Germany during the war by their principal statesmen. It was defined by President Wilson in his speech of April 6, 1918, and explicitly and categorically accepted by the German people as a principle governing the peace:

"Let everything that we say, my fellow countrymen, everything that we henceforth plan and accomplish, ring true to this response till the majesty and might of our concerted power shall fill the thought and utterly defeat the force of those who flout and misprize what we honor and hold dear. Germany has once more said that force, and force alone, shall decide whether justice and peace shall reign in the affairs of men, whether Right as America conceives it or Dominion as she conceives it shall determine the destinies of mankind. There is, therefore, but one response possible from us: Force, Force to the utmost, Force without stint or limit, righteous and triumphant Force which shall make Right the law of the world, and cast every selfish dominion down in the dust."

It was set forth clearly in a speech of the Prime Minister of Great Britain, of 14th December, 1917.

"There is no security in any land without certainty of punishment. There is no protection for life, property or money in a State where the criminal is more powerful than the law. The law of nations is no exception, and, until it has been vindicated, the peace of the world will always be at the mercy of any nation whose professors have

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assiduously taught it to believe that no crime is wrong so long as it leads to the aggrandisement and enrichment of the country to which they owe allegiance. There have been many times in the history of the world criminal States. We are dealing with one of them now. And there will always be criminal states until the reward of international crime becomes too precarious to make it profitable and the punishment of international crime becomes too sure to make it attractive."

It was made clear also in an address of M. Clemenceau, of September 1918.

"What do they (the French soldiers) want? What do we ourselves want? To fight, to fight victoriously and unceasingly, until the hour when the enemy shall understand that no compromise is possible between such crime and 'justice'. . . . We only seek peace, and we wish to make it just and permanent in order that future generations may be saved from the abominations of the past."

Similarly, Signor Orlando, speaking on October 3rd, 1918, declared:

"We shall obtain Peace when our enemies recognize that humanity has the right and duty to safeguard itself against a continuation of such causes as have brought about this terrible slaughter; and that the blood of millions of men calls not for vengeance but for the realisation of those high ideals for which it has been so generously shed. Nobody thinks of employing—even by way of legitimate retaliation—methods of brutal violence or of overbearing domination or of suffocation of the freedom of any people—methods and policies which made the whole world rise against the Central Powers. But nobody will contend that the moral order can be restored simply because he who fails in his 'iniquitous endeavour declares that he has renounced his aim. Questions intimately affecting the peaceful life of Nations, once raised, must obtain the solution which Justice requires."

Justice, therefore, is the only possible basis for the settlement of the accounts of this terrible war. Justice is what the German Delegation asks for and says that Germany had been promised. Justice is what Germany shall have. But it must be justice for all. There must be justice for the dead and wounded and for those who have been orphaned and bereaved that Europe might be freed from Prussian despotism. There must be justice for the peoples who now stagger under war debts which exceed £30,000,000,000 that liberty might be saved. There must be justice for those millions whose homes and land, ships and property German savagery has spoliated and destroyed.

That is why the Allied and Associated Powers have insisted as a cardinal feature of the Treaty that Germany must undertake to make reparation to the very uttermost of her power; for reparation for wrongs inflicted is of the essence of justice. That is why they insist that those individuals who are most clearly responsible for German aggression and for those acts of barbarism and inhumanity which have disgraced the German conduct of the war, must be handed over to a justice which has not been meted out to them at home. That, too, is why Germany must submit for a few years to certain special disabilities and arrangements. Germany has ruined the industries, the mines and the machinery of neighbouring countries, not during battle, but with the deliberate and calculated purpose of enabling her industries to seize their markets before their industries could recover from the devastation thus wantonly inflicted upon them. Germany has despoiled her neighbours of every thing she could make use of or carry away. Germany has destroyed the shipping of all nations on the high seas, where there was no chance of rescue for their passengers and crews. It is only justice that restitution should be made and that these wronged peoples should be safeguarded for a time from the competition of a nation whose industries are intact and have even been fortified by machinery stolen from occupied territories. If these things are hardships for Germany, they are hardships which Germany has brought upon herself. Somebody must suffer for the consequences of the war. It is to be Germany, or only the people she has wronged.

Not to do justice to all concerned would only leave the world open to fresh calamities. If the German people themselves, or any other nation, are to be deterred from

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following the footsteps of Prussia, if mankind is to be lifted out of the belief that war for selfish ends is legitimate to any State, if the old era is to be left behind and nations as well as individuals are to be brought beneath the reign of law, even if there is to be early reconciliation and appeasement, it will be because those responsible for concluding the war have had the courage to see that justice is not deflected for the sake of convenient peace.

It is said that the German Revolution ought to make a difference and that the German people are not responsible for the policy of the rulers whom they have thrown from power.

The Allied and Associated Powers recognize and welcome the change. It represents a great hope for peace, and for a new European order in the future. But it cannot affect the settlement of the war itself. The German Revolution was stayed until the German armies had been defeated in the field, and all hope of profiting by a war of conquest had vanished. Throughout the war, as before the war, the German people and their representatives supported the war, voted the credits, subscribed to the war loans, obeyed every order, however savage, of their government. They shared the responsibility for the policy of their government, for at any moment, had they willed it, they could have reversed it. Had that policy succeeded they would have acclaimed it with the same enthusiasm with which they welcomed the outbreak of the war. They cannot now pretend, having changed their rulers after the war was lost, that it is justice that they should escape the consequences of their deeds.

II

The Allied and Associated Powers therefore believe that the peace they have proposed is fundamentally a peace of justice. They are no less certain that it is a peace of right fulfilling the terms agreed upon at the time of the armistice. There can be no doubt as to the intentions of the Allied and Associated Powers to base the settlement of Europe on the principle of freeing oppressed peoples, and re-drawing national boundaries as far as possible in accordance with the will of the peoples concerned, while giving to each facilities for living an independent national and economic life. These intentions were made clear, not only in President Wilson's address to Congress of January 8, 1918, but in "the principles of settlement enunciated in his subsequent addresses," which were the agreed basis of the peace. A memorandum on this point is attached to this letter.

Accordingly the Allied and Associated Powers have provided for the reconstitution of Poland as an independent state with "free and secure access to the sea." All "territories inhabited by indubitably Polish populations" have been accorded to Poland. All territory inhabited by German majorities, save for a few isolated towns and for colonies established on land recently forcibly expropriated and situated in the midst of indubitably Polish territory, have been left to Germany. Wherever the will of the people is in doubt a plebiscite has been provided for. The town of Danzig is to be constituted a free city, so that the inhabitants will be autonomous and not come under Polish rule and will form no part of the Polish state. Poland will be given certain economic rights in Danzig and the city itself has been severed from Germany because in no other way was it possible to provide for that "free and secure access to the sea" which Germany has promised to concede.

The German counter proposals entirely conflict with the agreed basis of peace. They provide that great majorities of indisputably Polish population shall be kept under German rule.

They deny secure access to the sea to a nation of over twenty million people, whose nationals are in the majority all the way to the coast, in order to maintain territorial connection between East and West Prussia, whose trade has always been mainly sea-borne. They cannot, therefore, be accepted by the Allied and Associated Powers. At the same time in certain cases the German Note has established a case

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for rectification, which will be made; and in view of the contention that Upper Silesia though inhabited by a two to one majority of Poles (1,250,000 to 650,000, 1910 German census) wishes to remain a part of Germany, they are willing that the question of whether Upper Silesia should form part of Germany, or of Poland, should be determined by the vote of the inhabitants themselves.

In regard to the Saar basin the régime proposed by the Allied and Associated Powers is to continue for fifteen years. This arrangement they considered necessary both to the general scheme for reparation, and in order that France may have immediate and certain compensation for the wanton destruction of her Northern coal mines. The district has been transferred not to French sovereignty, but to the control of the League of Nations. This method has the double advantage that it involves no annexation, while it gives possession of the coal field to France and maintains the economic unity of the district, so important to the interests of the inhabitants. At the end of fifteen years the mixed population, who in the meanwhile will have had control of its own local affairs under the governing supervision of the League of Nations, will have complete freedom to decide whether they wish union with Germany, union with France, or the continuance of the régime established by the Treaty.

As to the territories which it is proposed to transfer from Germany to Denmark and Belgium, some of these were forcibly seized by Prussia, and in every case the transfer will only take place as the result of a decision of the inhabitants themselves taken under conditions which will ensure complete freedom to vote.

Finally, the Allied and Associated Powers are satisfied that the native inhabitants of the German colonies are strongly opposed to being again brought under Germany's sway, and the record of German rule, the traditions of the German Government and the use to which these colonies were put as bases from which to prey upon the commerce of the world, make it impossible for the Allied and Associated Powers to return them to Germany, or to entrust to her the responsibility for the training and education of their inhabitants.

For these reasons the Allied and Associated Powers are satisfied that their territorial proposals are in accord both with the agreed basis of peace and are necessary to the future peace of Europe. They are therefore not prepared to modify them except as indicated.

III.

Arising out of the territorial settlement are the proposals in regard to international control of rivers. It is clearly in accord with the agreed basis of the peace and the established public law of Europe that inland states should be secure access to the sea along navigable rivers flowing through their territory. The Allied and Associated Powers believe that the arrangements which they propose are vital to the free life of the new inland states that are being established and that they are no derogation from the rights of the other riparian states. If viewed according to the discredited doctrine that every state is engaged in a desperate struggle for ascendancy over its neighbours, no doubt such an arrangement may be an impediment to the artificial strangling of a rival. But if it be the ideal that nations are to co-operate in the ways of commerce and peace, it is natural and right. The provisions for the presence of representatives of non-riparian States on these river commissions is security that the general interest will be considered. In the application of these principles some modifications have, however, been made in the original proposals.

IV.

The German Delegation appear to have seriously misinterpreted the economic and financial conditions. There is no intention on the part of the Allied and Associated Powers to strangle Germany or to prevent her from taking her proper place in inter-

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national trade and commerce. Provided that she abides by the Treaty of Peace and provided also that she abandons those aggressive and exclusive traditions which have been apparent no less in her business than in her political methods, the Allied and Associated Powers intend that Germany shall have fair treatment in the purchase of raw materials and the sale of goods, subject to those temporary provisions already mentioned in the interests of the nations ravaged and weakened by German action. It is their desire that the passions engendered by the war should die as soon as possible, and that all nations should share in the prosperity which comes from the honest supply of their mutual needs. They wish that Germany shall enjoy this prosperity like the rest, though much of the fruit of it must necessarily go for many years to come, in making reparation to her neighbours for the damage she has done. In order to make their intention clear a number of modifications have been made in the financial and economic clauses of the Treaty. But the principles upon which the Treaty is drawn must stand.

V.

The German Delegation have greatly misinterpreted the Reparation proposals of the Treaty.

These proposals confine the amount payable by Germany to what is clearly justifiable under the terms of armistice in respect of damage caused to the civilian population of the Allies by German aggression. They do not provide for that interference in the internal life of Germany by the Reparation Commission which is alleged.

They are designed to make the payment of that reparation which Germany must pay as easy and convenient to both parties as possible and they will be interpreted in that sense. The Allied and Associated Powers therefore are not prepared to modify them.

But they recognize with the German Delegation, the advantage of arriving as soon as possible at the fixed and definite sum which shall be payable by Germany and accepted by the Allies. It is not possible to fix this sum to-day, for the extent of damage and the cost of repair has not yet been ascertained. They are therefore willing to accord to Germany all necessary and reasonable facilities to enable her to survey the devastated and damaged regions, and to make proposals thereafter within four months of the signing of the Treaty for a settlement of the claims under each of the categories of damage for which she is liable. If within the following two months an agreement can be reached, the exact liability of Germany will have been ascertained. If agreement has not been reached by then, the arrangement as provided in the Treaty will be executed.

VI.

The Allied and Associated Powers have given careful consideration to the request of the German Delegation that Germany should at once be admitted to the League of Nations. They find themselves unable to accede to this request.

The German revolution was postponed to the last moments of the war and there is as yet no guarantee that it represents a permanent change.

In the present temper of international feeling, it is impossible to expect the free nations of the world to sit down immediately in equal association with those by whom they have been so grievously wronged. To attempt this too soon would delay and not hasten that process of appeasement which all desire.

But the Allied and Associated Powers believe that if the German people prove by their acts that they intend to fulfil the conditions of the peace, and that they have abandoned those aggressive and estranging policies which caused the war, and have now become a people with whom it is possible to live in neighbourly good fellowship,

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the memories of the past years will speedily fade, and it will be possible at an early date to complete the League of Nations by the admission of Germany thereto. It is their earnest hope that this may be the case. They believe that the prospects of the world depend upon the close and friendly co-operation of all nations in adjusting international questions and promoting the welfare and progress of mankind. But the early entry of Germany into the League must depend principally upon the action of the German people themselves.

VII

In the course of its discussion of their economic terms and elsewhere the German Delegation has repeated its denunciation of the blockade instituted by the Allied and Associated Powers.

Blockade is and always has been a legal and recognized method of war, and its operation has from time to time been adapted to changes in international communications.

If the Allied and Associated Powers have imposed upon Germany a blockade of exceptional severity which throughout they have consistently sought to conform to the principles of international law, it is because of the criminal character of the war initiated by Germany and of the barbarous methods adopted by her in prosecuting it.

The Allied and Associated Powers have not attempted to make a specific answer to all the assertions made in the German note. The fact that some observations have been passed over in silence does not indicate, however, that they are either admitted or open to discussion.

VIII

In conclusion the Allied and Associated Powers must make it clear that this letter and the memorandum attached constitute their last word.

They have examined the German observations and counter proposals with earnest attention and care. They have, in consequence, made important practical concessions, but in its principles they stand by the Treaty.

They believe that it is not only a just settlement of the great war, but that it provides the basis upon which the peoples of Europe can live together in friendship and equality. At the same time it creates the machinery for the peaceful adjustment of all international problems by discussion and consent, whereby the settlement of 1919 itself can be modified from time to time to suit new facts and new conditions as they arise.

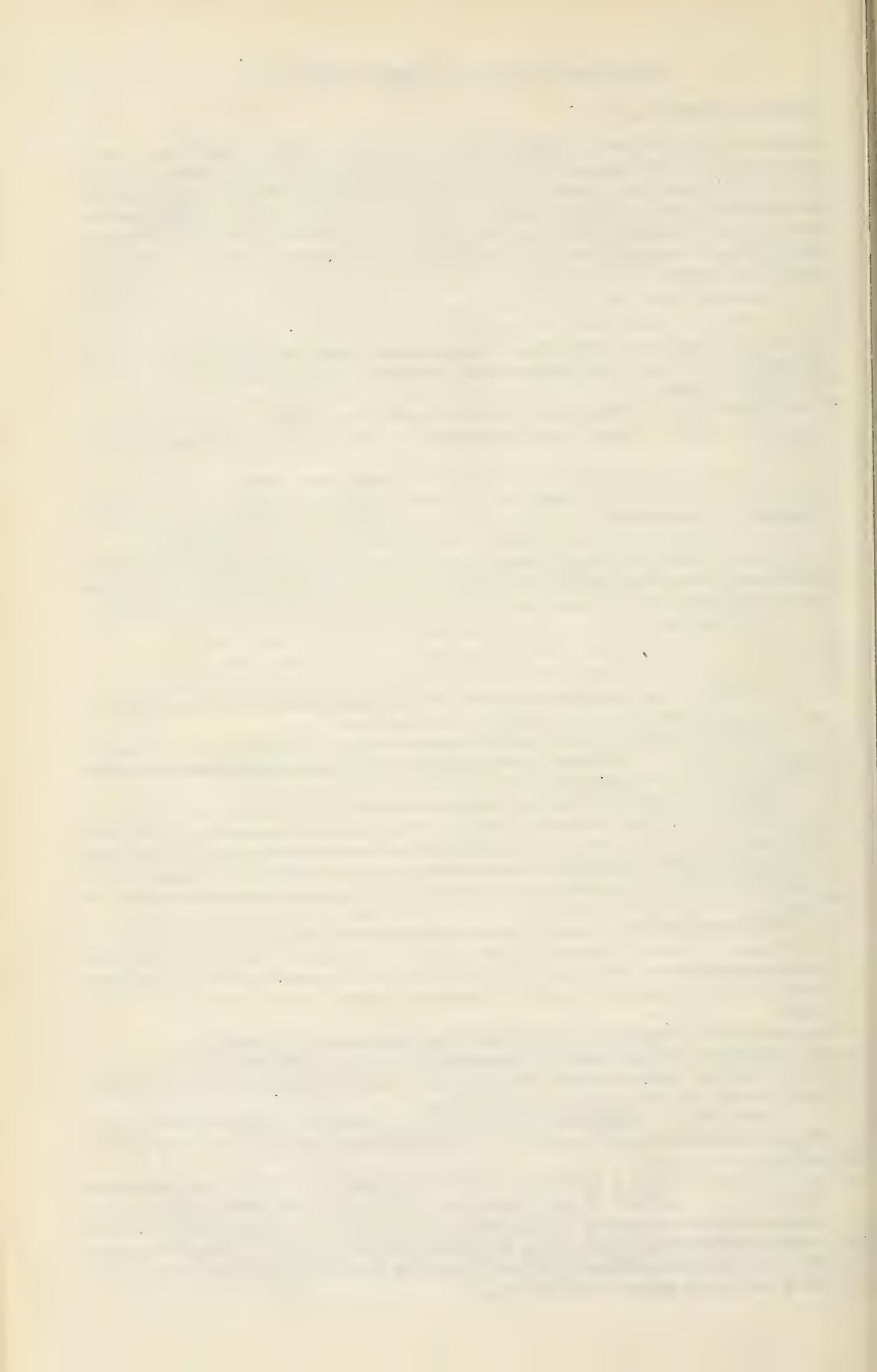
It is frankly not based upon a general condonation of the events of 1914-1918. It would not be a peace of justice if it were. But it represents a sincere and deliberate attempt to establish "that reign of law, based upon the consent of the governed, and sustained by the organized opinion of mankind" which was the agreed basis of the peace.

As such the Treaty in its present form must be accepted or rejected.

The Allied and Associated Powers therefore require a declaration from the German Delegation within five days from the date of this communication that they are prepared to sign the Treaty as it stands to-day.

If they declare within this period that they are prepared to sign the Treaty as it stands, arrangements will be made for the immediate signature of the Peace at Versailles.

If default of such a declaration, this communication constitutes the notification provided for in article 2 of the Convention of February 16th, 1919, prolonging the Armistice which was signed on November 11th, 1918, and has already been prolonged by the agreement of December 13th, 1918, and January 16th, 1919. The said Armistice will then terminate, and the Allied and Associated Powers will take such steps as they think needful to enforce their Terms.



Reply of the Allied and Associated Powers to the Observations of the German Delegation on the Conditions of Peace.

INTRODUCTION.

[41D]

BASIS OF THE PEACE NEGOTIATIONS.

The Allied and Associated Powers are in complete accord with the German Delegation in their insistence that the basis for the negotiation of the Treaty of Peace is to be found in the correspondence which immediately preceded the signing of the Armistice on November 11, 1918. It was there agreed that the Treaty of Peace should be based upon the Fourteen Points of President Wilson's address of January 8, 1918, as they were modified by the Allies' memorandum included in the President's note of November 5, 1918, and upon the principles of settlement enunciated by President Wilson in his later addresses, and particularly in his address of September 27, 1918. These are the principles upon which hostilities were abandoned in November, 1918, these are the principles upon which the Allied and Associated Powers agreed that peace might be based, these are the principles which have guided them in the deliberations which have led to the formulation of the Conditions of Peace.

It is now contended by the German Delegation that the Conditions of Peace do not conform to these principles which had thus become binding upon the Allied and Associated Powers as well as upon the Germans themselves. In an attempt to prove a breach of this agreement the German Delegation have drawn quotations from a number of speeches, most of which were before the Address to Congress and many of which were uttered by Allied statesmen at a time when they were not at war with Germany, or had no responsibility for the conduct of public affairs. The Allied and Associated Powers consider it unnecessary, therefore, to oppose this list of detached quotations with others equally irrelevant to a discussion concerning the basis of the peace negotiations. In answer to the implication of these quotations, it is sufficient to refer to a note of the Allied Powers transmitted to the President of the United States on January 10, 1917, in response to an inquiry as to the conditions upon which they would be prepared to make peace:

"The Allies feel a desire as deep as that of the United States Government to see ended, at the earliest possible moment, the war for which the Central Empires are responsible, and which inflicts sufferings so cruel upon humanity. But they judge it impossible to-day to bring about a peace that shall assure to them the reparation, the restitution and the guarantees to which they are entitled by the aggression for which the responsibility lies upon the Central Empires—and of which the very principle tended to undermine the safety of Europe—a peace which shall also permit the establishment upon firm foundations of the future of the nations of Europe.

In the same note, in addition to a reference to Poland, they declared the War Aims of the Allies to include:

"...first of all, the restoration of Belgium, Serbia, Montenegro, with the compensation due to them; the evacuation of the invaded territories in France, in Russia, in Roumania with just reparation; the reorganization of Europe, guaranteed by a stable regime and based at once on respect for nationalities and on the right to full security and liberty of economic development possessed by all peoples, small and great, and

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at the same time upon territorial conventions and international settlements such as to guarantee land and sea frontiers against unjustified attacks; the restitution of provinces formerly torn away from the Allies by force against the wish of their inhabitants; the liberation of the Italians as also of the Slavs, Roumanians, Czecho-Slovaks from foreign domination; the setting free of the populations subject to the bloody tyranny of the Turks; and the turning out of Europe of the Ottoman Empire as decidedly foreign to Western civilization."

It cannot be disputed that responsible statesmen, those qualified to express the will of the peoples of the Allied and Associated powers, have never entertained or expressed a desire for any other peace than one which should undo the wrongs of 1914, vindicate justice and international right, and reconstruct the political foundations of Europe on lines which would give liberty to all its peoples, and therefore the prospect of a lasting peace.

But the German Delegation profess to find discrepancies between the agreed basis of peace and the draft of the Treaty. They discover a contradiction between the terms of the Treaty and a statement taken from an address delivered at Baltimore on April 6, 1918, by President Wilson:

"We are ready, whenever the final reckoning is made, to be just to the German people, as with all others....To propose anything but justice to Germany at any time, whatever the outcome of the war, would be to renounce our own cause, for we ask nothing that we are not willing to accord."

This quotation does not stand alone. It should be read in conjunction with one of the cardinal principles of the Mount Vernon address of July 4, 1918, which demanded:

"The destruction of every arbitrary power everywhere that can separately, secretly, and of its single choice disturb the peace of the world or, if it cannot be presently destroyed, at the least its reduction to virtual impotence."

Neither of these two principles of the agreed basis of peace has been lost sight of in the formulation of these Conditions.

The German Delegation see in the provisions with regard to territorial settlements a conflict between the terms of the Treaty and the following statement made by President Wilson on June 9, 1918:

"If it is indeed and in truth the mutual aim of the Governments allied against Germany and of their nations, in the coming negotiations of peace to bring about a sure and lasting peace, all who sit down at the table of negotiations will be ready and willing to pay the only price for which it can be gotten....This price is impartial justice in every item without regard to whose interests may be crossed by it, and not only impartial justice but also satisfaction to all nations whose future is to be decided upon."

In their communication they enumerate a number of territorial settlements and conclude that "their basis is indifferently, now the consideration of an unchangeable historical right, now the principle of ethnographical facts, now the consideration of economic interests. In every case the decision is against Germany."

If in certain cases, not in all, the decision has in fact not been in favour of Germany, this is not the result of any purpose to act unjustly towards Germany. It is the inevitable result of the fact that an appreciable portion of the territory of the German Empire consisted of districts which had in the past been wrongfully appropriated by Prussia or by Germany. It is a chief duty of the Allied and Associated Powers to rectify these injustices in accordance with the explicit statement of President Wilson in his address to Congress of February, 11, 1918:

"Each part of the final settlement must be based upon the essential justice of that particular case and upon such adjustments as are most likely to bring a peace that will be permanent."

The German Delegation find a conflict between the terms of the Treaty which set forth the economic provisions and the third of President Wilson's Fourteen Points:

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"The removal so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance."

In their application of this principle the German Delegation would neglect entirely the economic conditions which have resulted from the war, with their own country intact and in nowise suffering from the devastation brought upon the lands and homes of the Allied peoples. They nevertheless seek immediate admission to all of the trade arrangements which are to be provided for by the Conditions of Peace. This would have the effect of establishing an inequality of trade conditions which would continue in Europe for many years to come. Equality can only be established by arrangements which take into account the existing differences in economic strength and industrial integrity of the peoples of Europe. But the Conditions of Peace contain some provisions for the future which may outlast the transition period during which the economic balance is to be restored; and a reciprocity is foreseen after that period which is very clearly that equality of trade conditions for which President Wilson has stipulated.

The German Delegation profess to find in the terms of the Treaty a violation of the principle expressed by President Wilson before Congress on February 11, 1918:

"That peoples and provinces are not to be bartered about from sovereignty to sovereignty as if they were mere chattels and pawns in a game."

The Allied and Associated Powers emphatically reject the suggestion that there has been any "bartering about" of peoples and provinces. Every territorial settlement of the Treaty of Peace has been determined upon after most careful and laboured consideration of all the religious, racial and linguistic factors in each particular country. The legitimate hopes of peoples long under alien rule have been heard; and the decisions in each instance have been founded upon the principle explicitly enunciated in this same address; that

"All well-defined national aspirations shall be accorded the utmost satisfaction that can be accorded them without introducing new or perpetuating old elements of discord and antagonism that would be likely in time to break the peace of Europe and consequently of the world."

Finally, the German Delegation take exception to the fact that Germany has not been invited to join in the formation of the League of Nations as an original member. President Wilson's declarations, however, envisaged no league of nations which would include Germany at the outset, and no statement of his can be adduced in support of this contention. Indeed, in his speech of September 27, 1918, he laid down with the greatest precision the conditions which must govern her admission:

"It is necessary to guarantee the peace, and the peace cannot be guaranteed as an afterthought. The reason, to speak in plain terms again, why it must be guaranteed, is that there will be parties to the peace whose promises have proved untrustworthy, and means must be found in connection with the peace settlement itself to remove that source of insecurity."

and further,

"Germany will have to redeem her character not by what happens at the peace table but by what follows."

The Allied and Associated Powers look forward to the time when the League of Nations established by this Treaty shall extend its membership to all peoples; but they cannot abandon any of the essential conditions of an enduring League.

PART I.

THE LEAGUE OF NATIONS.

I

The Allied and Associated Powers regard the Covenant of the League of Nations as the foundation of the Treaty of Peace. They have given careful consideration to all its terms and they are convinced that it introduces an element of progress into the relations of peoples which the future will develop and strengthen to the advantage of justice and of peace.

The text of the Treaty itself makes it clear that it has never been the intention of the Allied and Associated Powers that Germany or any other power should be indefinitely excluded from the League of Nations. Provisions have accordingly been laid down which apply generally to States not members of the League and which determine the conditions of their admission subsequent to its formation.

Any State whose government shall have given clear proofs of its stability as well as of its intention to observe its international obligations—particularly those obligations which arise out of the Treaty of Peace—will find the Principal Allied and Associated Powers disposed to support its candidature for admission to the League.

In the case of Germany, it is hardly necessary to say that the record of the last five years is not of a character to justify an exception, at the present time, to the general rule to which reference has just been made. Her case demands a definite test. The length of this period will largely depend upon the acts of the German Government, and it is within the choice of that Government, by its attitude towards the Treaty of Peace to shorten the period of delay which the League of Nations, without any intention of prolonging it unduly, shall consider it necessary to fix.

Provided these necessary conditions are assured, they see no reason why Germany should not become a member of the League in the early future.

II

The Allied and Associated Powers do not consider that an addition to the Covenant in the sense of the German proposals regarding economic questions is necessary. They would point out that the Covenant already provides that "subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League. . . . will make provision to secure and maintain freedom of communications and of transit, and equitable treatment for the commerce of all Members of the League." So soon as Germany is admitted to the League, she will enjoy the benefits of these provisions. The establishment of general conventions with regard to transit questions is now being considered.

III

The Allied and Associated Powers are prepared to accord guarantees, under the protection of the League of Nations, for the educational, religious and cultural rights of German minorities in territories transferred from the German Empire to the new states created by the Treaty. They take note of the statement of the German Delegates that Germany is determined to treat foreign minorities within her territory according to the same principles.

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IV

The Allied and Associated Powers have already pointed out to the German Delegates that the Covenant of the League of Nations provides for "the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations." They recognize that the acceptance by Germany of the terms laid down for her own disarmament will facilitate and hasten the accomplishment of a general reduction of armaments; and they intend to open negotiations immediately with a view to the eventual adoption of a scheme of such general reduction. It goes without saying that the realisation of this programme will depend in large part on the satisfactory carrying out by Germany of her own engagements.

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PARTS II and III.

BOUNDARIES OF GERMANY AND POLITICAL CLAUSES FOR EUROPE.

SECTION I.

BELGIUM.

The territories of Eupen and Malmedy were separated from the neighbouring Belgian lands of Limburg, Liège, and Luxemburg in 1814-15, when they were assigned to Prussia for making up the number of people on the Left Bank of the Rhine taken over as an offset for certain renunciations in Saxony. No account was taken of the desires of the people, nor of geographical or linguistic frontiers. Nevertheless, this region has continued in close economic and social relations with the adjacent portions of Belgium, and in spite of a century of Prussification the Walloon speech has maintained itself among several thousand of its inhabitants. At the same time the territory has been made a basis for German militarism by the construction of the great camp of Elsenborn and various strategic railways directed against Belgium. The reasons seem sufficient to justify the union of the territory to Belgium, provided the petitions to this effect are sufficiently supported by the population of the district. The Treaty makes provision for consulting the population under the auspices of the League of Nations.

With regard to the neutralized territory of Moresnet the sovereignty of which has been in dispute since 1815, the Prussians make a claim for which there appears to be no justification of any kind. The Treaty settles this dispute in favour of Belgium, and at the same time awards to Belgium, in partial compensation for the destruction of Belgian forests, the adjacent domanial and communal woods in Prussian Moresnet.

SECTION II.

LUXEMBURG.

The observations of the German Delegations as to Luxemburg do not require any answer, as the clauses of the Treaty are justified by two uncontrovertible facts: the violation of the neutrality of the Grand Duchy by Germany during the war, and the denunciation of the Customs Union on which Luxemburg herself has decided and which she has communicated to the Allied and Associated Powers since the armistice.

SECTION IV.

TERRITORY OF THE SAAR BASIN.

The territory of the Saar basin has already been the subject of an exchange of notes with the German Delegation. The new observations contained in the German communication seem to show a complete misapprehension of the spirit and purpose of this section of the Treaty.

The purpose and decision of the Allies have twice been stated, first in the text of the Treaty itself, in which (Articles 45 and 46) Germany is to accept the provisions in question "as compensation for the destruction of the coal-mines in the North of France and as part payment towards the total reparation due from Germany for the

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damage resulting from the war, and . . . in order to assure the rights and welfare of the population"; and secondly, in the note of May 24th, "the Allied and Associated Governments have chosen this particular form of reparation because it was felt that the destruction of the mines in the north of France was an act of such a nature that a definite and exemplary retribution should be exacted; this object would not be obtained by the mere supply of a specified or unspecified amount of coal. This scheme, therefore, in its general provisions, must be maintained, and on this, the Allied and Associated Powers are not prepared to agree to any alternative."

The German Delegation, on the other hand, declares that "the German Government refuses to carry out any reparation which will have the character of a punishment." The German idea of justice appears then to be one which excludes a conception which is essential to any just settlement and a necessary basis for subsequent reconciliation.

It has been the desire of the Allied and Associated Powers in determining upon the form of reparation to be imposed to choose one which, by its exceptional nature, will be for a limited period a definite and visible symbol. At the same time, they intended, by assuring themselves of the immediate possession of a security for reparation, to escape the risks to which the German memoir itself has drawn attention.

On the other hand, they have exercised the greatest care in order to avoid inflicting on the inhabitants of the district itself any material or moral injury. In every point their interests have been most scrupulously guarded, and in fact their condition will be improved.

The frontiers of the district have been precisely determined so as to secure the least possible interference with the present administrative units or with the daily vocations of this complex population. It is expressly provided that the whole system of administration of criminal and civil law and of taxation shall be maintained. The inhabitants are to retain their local assemblies, their religious liberties, their schools, and the use of their language. All existing guarantees in favour of the working population are maintained, and new rules be in accordance with the principles adopted by the League of Nations. It is true that the Governing Commission, with which the final control rests, will not be directly responsible to a Parliamentary Assembly, but it will be responsible to the League of Nations and not to the French Government. The arrangement made will afford an ample guarantee against the misuse of the power which is entrusted to it; but, in addition, the Governing Commission is required to take the advice of the elected representatives of the district before any change in the laws can be made or any new tax imposed. The whole revenue derived from taxation will be devoted to local purposes and for the first time since the forcible annexation of the district to Prussia and to Bavaria, the people will live under a Government resident on the spot which will have no occupation and no interest except their welfare. The Allied and Associated Powers have full confidence that the inhabitants of the district will have no reason to regard the new administration under which they will be placed as one more remote than was the administration which was conducted from Berlin and Munich.

The German Note constantly overlooks the fact that the whole arrangement is temporary, and that at the end of 15 years the inhabitants will have a full and free right to choose the sovereignty under which they are to live.

SECTION V.

ALSACE-LORRAINE.

The clauses concerning Alsace and Lorraine are but the application of the 8th of the 14 Points which Germany, at the time of the Armistice, accepted as the basis of Peace; "the wrong done by Prussia to France in 1871, as regards Alsace and

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Lorraine, which has disturbed the peace of the world for nearly 50 years must be righted, in order that peace may again be assured in the interest of all."

Fifty years ago, the injustice consisted in the annexation of a French country against the will of its inhabitants, as unanimously expressed at Bordeaux by their elected representatives, reiterated in the Reichstag in 1874 and many times since by the election of protesting deputies and finally confirmed during the war by the special measures which Germany had to take against Alsatians and Lorrainers, both civilians and soldiers.

To right a wrong is to replace things, so far as possible, in the state in which they were before being disturbed by the wrong. All the Clauses of the Treaty concerning Alsace and Lorraine have this object in view. They will not, however, suffice to wipe out the sufferings of two Provinces which, for nearly half a century, have been for the Germans merely a "military glacis" and, according to the expression of Herr von Kühlmann, a means of "cementing" the unity of the Empire.

The Allied and Associated Powers could not therefore admit a plebiscite for these Provinces. Germany, having accepted the 8th Point and signed the Armistice which places Alsace and Lorraine in the position of evacuated territories, has no right to demand a plebiscite. The population of Alsace and Lorraine has never asked for it. On the contrary it protested for nearly 50 years, at the cost of its own tranquility and its own interests, against the abuse of strength of which it was the victim in 1871. Its will is not therefore in doubt, and the Allied and Associated Governments mean to ensure respect for it.

The arguments, based on history and language, once more brought forward by Germany, are formally contested by the Allied and Associated Powers and do not modify their point of view.

The legal objections derived from the "ante-dated cession" are also inadmissible. Germany recognised this when she signed the Armistice. Moreover Alsace and Lorraine, by throwing themselves into the arms of France, as into those of a long-lost mother, themselves fixed the date of their deliverance. A Treaty founded on the right of self-determination of peoples cannot but take note of a people's will so solemnly proclaimed.

In all its Clauses, whether they concern nationality, debts or State property, the Treaty has no other object than to restore persons and things to the legal position in which they were in 1871. The obligation of repairing the injustice then committed admits of no other alternative, and Germany herself has accepted this obligation in subscribing to the 14 Points.

It should be added that it is easy to justify the exception made in favour of France to the general principle admitted in the Treaty, according to which the State receiving territory takes over part of the public debt of the ceding State and pays for the property of the said State in the ceded territory. In 1871, Germany, when she seized Alsace and Lorraine, refused to take over any part of the French debt; she paid nothing for any French State property, and Herr von Bismarck boasted of this in the Reichstag on May 25, 1871. To-day the Allied and Associated Powers mean France to recover Alsace and Lorraine under exactly the same conditions, and consequently, that she should take over no part of the German debt nor pay for any State property. This solution is just, for if German State property includes railways, the French owners of which Germany compensated in 1871 by sums drawn from the war indemnity, and if these railways have been developed since 1871, Germany on the contrary not having, at that time, assumed liability either for that portion of the French debt which belonged to Alsace and Lorraine or for the State property, the loss (capital and interest) imposed on France under this head exceeds the sum to which Germany makes a claim.

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As regards the local debt of Alsace and Lorraine and of the public institutions of the Provinces which existed before August the 1st, 1914, it has always been understood between the Allied and Associated Governments that France should accept liability for them.

SECTION VI.

Austria.

The Allied and Associated Powers take note of the declaration in which Germany declares that she "has never had and will never have the intention of changing by violence the frontier between Germany and Austria."

SECTION VII.

Poland.

In dealing with the problem of the Eastern frontiers of Germany, it is desirable to place on record two cardinal principles.

First, there is imposed upon the Allies a special obligation to use the victory which they have won in order to re-establish the Polish Nation in the independence of which it was unjustly deprived more than one hundred years ago. This act was one of the greatest wrongs of which history has record, a crime the memory and the result of which has for long poisoned the political life of a large portion of the continent of Europe. The seizure of the Western provinces of Poland was one of the essential steps by which the military power of Prussia was built up, the necessity of holding fast these provinces has perverted the whole political life, first of Prussia and then of Germany. To undo this wrong is the first duty of the Allies, as has been proclaimed by them throughout the war, even when to some it might have appeared that the prospect of ultimate success was most remote; now that the victory has been won, the aim can be achieved. The restoration has already been spontaneously agreed to by the Russian Government; its attainment is ensured by the collapse of the Central Powers.

The second principle, which has been proclaimed by the Allies and formally accepted by Germany, is that there shall be included in the restored Poland those districts which are now inhabited by an indisputably Polish population.

These are the principles which have guided the Allies in determining the Eastern frontiers of Germany, and the Conditions of Peace have been drawn up in strict accordance with them.

Posen and West Prussia.

In the Western portions of the former Kingdom of Poland which are now included in the Prussian Provinces of Posen and West Prussia, the application of the second principle only to a very small degree modifies that of the first. When the partition took place these portions of Poland were predominantly inhabited by Poles except in some towns and districts to which German colonists had made their way, the country was completely Polish in speech and sentiment. Had the Allied and Associated Powers applied the strict law of historic retribution, they would have been justified in restoring to Poland these two provinces almost in their entirety. They have in fact not done so; they have deliberately waived the claim of historic right because they wished to avoid even the appearance of injustice, and they have left to Germany those districts on the West in which there is an undisputed German predominance in immediate contiguity to German territory.

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Apart from these districts it is true that there are certain areas, often far removed from the German frontier, such as Bromberg, in which there is a majority of Germans. It would be impossible to draw a frontier in such a way that these areas should be left to Germany while the surrounding purely Polish areas were included in Poland. There must be some sacrifice on one side or the other. If this is once recognized, there can be no doubt as to who has the prior claim to consideration. Numerous as the Germans in these districts may be, the number of Poles concerned is greater; to have left these districts to Germany would be to sacrifice the majority to the minority. Moreover, it is necessary to recall the methods by which German preponderance in certain districts has been established. German settlers, German colonists, German residents have not come here merely in obedience to natural causes. Their presence is the direct result of the policy pursued by the Prussian Government, which has used all its immense resources to dispossess the original population and substitute for it one of German speech and German nationality. This process has been continued to the very eve of the war with exceptional harshness, and has called forth protests even in Germany itself. To recognize that such action should give a permanent title to the country would be to give an encouragement and premium to the grossest acts of injustice and oppression.

In order to eliminate any possible injustice the Allied and Associated Powers have caused the Western frontiers of Poland to be carefully reconsidered: as a result of this they have made certain modifications in detail with the object of bringing the frontier into closer harmony with the ethnographical division; the result of these changes will be on the whole to diminish the number of Germans who are included in Poland. In particular, the Allied and Associated Powers have determined to adhere strictly to the historical frontier between Pomerania and West Prussia, so that here no part of Germany outside the former Kingdom of Poland shall be assigned to Poland. It is not certain that these changes will be practical improvements; the closer adherence to the ethnic line may produce some local inconvenience.

Upper Silesia.

A considerable portion of the German answer is devoted to the question of Upper Silesia. It is recognized that the problem here differs from that in Posen and West Prussia they were for the reason that Upper Silesia was not a part of the Polish territories when dismembered by the Partition. It may be said that Poland has no *legal* claim to the cession of Upper Silesia: it is emphatically not true that she has no claim which could be supported on the principles of President Wilson. In the district to be ceded, the majority of the population is indisputably Polish. Every German book of reference, every school-book, teaches the German child that the inhabitants are Polish in origin and in speech. The Allied and Associated Powers would have been acting in complete violation of the principles which the German Government itself professes to accept had they left unregarded the Polish claims to this district.

However the German Government now contest these conclusions. They insist that separation from Germany is not in accordance with the wishes or the interests of the population. Under these circumstances the Allied and Associated Powers are willing to allow the question to be determined by those particularly concerned. They have therefore decided that this territory shall not be immediately ceded to Poland, but that arrangements shall be made to hold a plebiscite there.

They would gladly have avoided this, for the appeal must be postponed for some considerable time. It will involve the temporary occupation of the district by foreign troops. In order to secure the full impartiality of the vote, it will be necessary to establish of a separate Commission to administer the territory during the intervening period.

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Moreover in order to prevent Germany from being deprived arbitrarily of materials necessary for her industrial life, an additional Article has been included in the Treaty providing that mineral products, including coal, produced in any part of Upper Silesia that may be transferred, shall be available, for purchase by Germany on the same terms as by the Poles themselves.

In order further to meet any criticism regarding the consequences of the transfer of territory to Poland, the Allied and Associated Powers have introduced a new provision, described below in the paragraphs on Property, Rights and Interests, the effect of which will be to give protection to Germans in any liquidation of their property.

The restoration of the Polish State is a great historical act which cannot be achieved without breaking many ties and causing temporary difficulty and distress to many individuals. But it has been the special concern of the Allied and Associated Powers to provide for the adequate protection of those Germans who will find themselves transferred to Poland, as well as of all other religious, racial or linguistic minorities. There is in the Treaty a clause by which there will be secured to them the enjoyment of religious liberty and also the right to use their own language and that of having their children educated in their own language. They will not be subjected to persecution similar to that which Poles had to endure from the Prussian State.

SECTION IX.

East Prussia.

The German Government declares that it cannot accept a solution by which East Prussia shall be separated from the rest of Germany. It must, therefore, be recalled that East Prussia was in fact so separated for many hundreds of years, and that at no date until 1866 was it actually included in the political frontiers of Germany; it has always been recognized by German historians as being not an original German land, but a German colony. It is no doubt for the convenience of Germany that this country, which has been conquered and wrested from its original inhabitants by the German sword, should be in direct contact with the true Germany, but the convenience of Germany is no reason why the dismemberment and partition of another nation should be continued. Moreover, the interests which the Germans in East Prussia, who number less than two millions, have in establishing a land connection with Germany, is much less vital than the interest of the whole Polish nation in securing direct access to the sea.

The larger part of the trade of East Prussia with the rest of Germany is sea-borne; for the commercial life of the province it will matter little that West Prussia is restored to Poland, but for Poland immediate and unbroken communication with Danzig and the remainder of the coast by railways which are entirely under the control of the Polish State is essential. The inconvenience caused East Prussia by the new frontiers is negligible compared to that which would be caused to Poland by any other arrangement.

But in addition the importance of the railway connection between East Prussia and Germany has been fully recognized in the Treaty, and the Articles dealing with this have been inserted. They have now been carefully revised, and they provide the fullest security that there shall be no impediment placed in the way of communication across the intervening Polish territory.

It is difficult to understand the objections raised by the Germans to the plebiscite which is to be held in certain portions of East Prussia. According to all information, there is in the Allenstein district a considerable Polish majority. The German note states, on the other hand, that it is not inhabited by an incontestably Polish population and suggests that the Poles will not wish to be separated from Germany. It is precisely because there may be some doubt as to the political leanings of the inhabitants that

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the Allied and Associated Powers have determined to hold a plebiscite here. Where the affinities of the population are undoubted, there is no necessity for a plebiscite; where they are in doubt, there a plebiscite is enjoined. It is noted with surprise that the Germans at the very moment when they profess assent to the principle of self-determination, refuse to accept the most obvious means of applying it.

SECTION X.

Memel.

The Allied and Associated Powers reject the suggestion that the cession of the district of Memel conflicts with the principle of nationality. The district in question has always been Lithuanian; the majority of the population is Lithuanian in origin and in speech; and the fact that the city of Memel itself is in large part German is no justification for maintaining the district under German sovereignty, particularly in view of the fact that the port of Memel is the only sea outlet for Lithuania.

It has been decided that Memel and the adjoining district shall be transferred to the Allied and Associated Powers for the reason that the status of the Lithuanian territories is not yet established.

SECTION XI.

Danzig.

The German note declares that the German Government "must reject the proposed rape of Danzig and must insist that Danzig and its environs be left to the German Empire." The use of this language seems to show some want of appreciation of the true situation. The proposed settlement for Danzig has been drawn up with the most scrupulous care and will preserve the character which Danzig held during many centuries and, indeed, until forcibly and contrary to the will of the inhabitants it was annexed to the Prussian State. The population of Danzig is and has for long been predominantly German; just for this reason, it is not proposed to incorporate it in Poland. But Danzig, when a Hansa city, like many other Hansa cities, lay outside the political frontiers of Germany, and in union with Poland enjoyed a large measure of local independence and great commercial prosperity. It will now be replaced in a position similar to that which it held for so many centuries. The economic interests of Danzig and Poland are identical. For Danzig as the great port of the valley of the Vistula, the most intimate connection with Poland is essential. The annexation of West Prussia, including Danzig, to Germany, deprived Poland of that direct access to the sea which was hers by right. The Allied and Associated Powers propose that this direct access shall be restored. It is not enough that Poland should be allowed the use of German ports; the coast, short as it is, which is Polish must be restored to her. Poland claims, and justly claims, that the control and development of the port which is her sole opening to the sea shall be in her hands and the communications between it and Poland shall not be subjected to any foreign control, so that in this, one of the most important aspects of national life, Poland should be put on an equality with the other States of Europe.

SECTION XII.

Schleswig.

Schleswig was taken from Denmark by Prussia in 1864, but by the Treaty of Prague in 1866 Prussia undertook that the northern districts should be ceded to Denmark if by a free vote the population expressed a wish to be united to Denmark. In spite of repeated demands on the part of the inhabitants, no measures have ever been taken

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by Prussia or the German Empire to carry out this promise, and the Government of Denmark and the people of Schleswig have now asked the Peace Conference to secure for them a plebiscite. This the present Treaty now guarantees. At the request of the Danish Government provisions have been drawn up for the evacuation of the territory as far as the Eider and the Schlei by the German troops and the higher Prussian officials, and for the temporary administration of the territory and the holding of the plebiscite by an impartial International Commission, on which Norway and Sweden will be represented as well as the Allied and Associated Powers. In consequence of a request made by the Danish Government it has been decided to alter the limits of the territory within which the plebiscite will be held in accordance with their wishes. On the basis of the plebiscite which will be held there, the international commission will propose a precise delimitation of the frontier between Germany and Denmark, a delimitation in which geographic and economic conditions will be taken into account.

SECTION XIII.

Heligoland.

As regards Heligoland, while accepting the dismantling of the fortifications the German Delegates observe that—

“The measures which are necessary for the protection of the coast and of the harbour must continue in force, in the interests of the inhabitants of the island as well as of peaceful navigation and the fishing industry.”

A Commission will be appointed by the Principal Allied and Associated Powers, after the signature of the Treaty, to supervise the destruction of the fortifications. This Commission will decide what portion of the works protecting the coast from sea erosion can be allowed to remain and what portion must be destroyed as a precaution against the refortification of the island.

The only harbours it is proposed to destroy are the naval harbours within the positions given in Article 115; the fishing harbour is not within this area and the naval harbours are not used by fishing vessels. The Article must accordingly be accepted unconditionally.

SECTION XIV.

Russia.

The Allied and Associated Powers are of opinion that none of the reservations or the observations offered by the German Delegation as to Russia necessitate any change in the relevant articles of the Treaty.

PART IV.

GERMAN RIGHTS AND INTERESTS OUTSIDE GERMANY.

I

In requiring Germany to renounce all her rights and claims to her overseas possessions, the Allied and Associated Powers placed before every other consideration the interests of the native populations advocated by President Wilson in the fifth point of his Fourteen Points mentioned in his Address of the 8th January, 1918. Reference to the evidence from German sources previous to the war of an official as well as of a private character, and to the formal charges made in the Reichstag, especially by MM. Erzberger and Noske, will suffice to throw full light upon the German colonial administration, upon the cruel methods of repression, the arbitrary requisition, and the various forms of forced labour which resulted in the depopulation of vast expanses of territory in German East Africa and the Cameroons, not to mention the tragic fate of the Hereros in South West Africa, which is well known to all.

Germany's dereliction in the sphere of colonial civilization has been revealed too completely to admit of the Allied and Associated Powers consenting to make a second experiment and of their assuming the responsibility of again abandoning thirteen or fourteen millions of natives to a fate from which the war has delivered them.

Moreover, the Allied and Associated Powers felt themselves compelled to safeguard their own security and the peace of the world against a military imperialism, which sought to establish bases whence it could pursue a policy of interference and intimidation against the other Powers.

II

The Allied and Associated Powers considered that the loss of her Colonies would not hinder Germany's normal economic development.

The trade of the German Colonies has never represented more than a very small fraction of Germany's total trade: in 1913 one-half of one per cent of her imports and one-half of one per cent of her exports. Of the total volume imported by Germany of such products as cotton, cocoa, rubber, palm kernels, tobacco, jute and copra, only 3 per cent came from her Colonies. It is obvious that the financial, commercial and industrial rehabilitation of Germany must depend on other factors.

For climatic reasons and other natural causes the German Colonies are incapable of accommodating more than a very small proportion of the excess German emigration. The small number of colonists resident there before the war is conclusive evidence in this respect.

III

The Allied and Associated Powers have drawn up, in the matter of the cession of the German Colonies, the following methods of procedure, which are in conformity with the rules of International Law and Equity:

(a) The Allied and Associated Powers are applying to the German Colonies the general principle in accordance with which the transfer of sovereignty involves the transfer under the same conditions to the State to which the surrender is made of the immovable and movable property of the ceding State.

They see no reason for consenting in the case of the Colonies to any departure from that principle which may have been admitted as an exceptional measure in the case of territory in Europe.

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(b) They are of opinion that the Colonies should not bear any portion of the German debt, nor remain under any obligation to refund to Germany the expenses incurred by the Imperial administration of the Protectorate. In fact, they consider that it would be unjust to burden the natives with expenditure which appears to have been incurred in Germany's own interest, and that it would be no less unjust to make this responsibility rest upon the Mandatory Powers, which, in so far as they may be appointed Trustees by the League of Nations, will derive no benefit from such Trusteeship.

IV

The Allied and Associated Powers considered that it would be necessary in the interest of the natives, as well as in that of general peace, to restrict the influence which Germany might seek to exert over her former Colonies and over the territories of the Allied and Associated Powers.

(a) They are obliged for the reasons of security already mentioned to reserve to themselves full liberty of action in determining the conditions on which Germans will be allowed to establish themselves in the territories of the former German Colonies. Moreover the control to be exercised by the League of Nations will provide all the necessary guarantees.

(b) They require Germany to subscribe to the Conventions which they may conclude for the control of the traffic in Arms and Spirits and for the modification of the General Acts of Berlin and Brussels. They do not think that Germany has any ground to consider herself humiliated or injured because she is required to give her consent in advance to measures accepted by all the great commercial Powers in regard to questions of such great importance to the welfare of the native populations and to the maintenance of civilization and peace.

V.

The Allied and Associated Powers consider that all the possessions and property of the German State in the territory of Kiaochow must be treated on the same footing as State property in all the other German overseas possessions, and be transferred without compensation. In this connection they recall the fact that Kiaochow, which was unjustly torn from China, has been used by Germany as a military base in pursuance of a policy which in its various manifestations has constituted a perpetual menace to the peace of the Far East. In these circumstances they see no reason why Germany should be compensated for the loss of works and establishments and in general for public property which in the hand of this Power have for the most part been used merely as a means of carrying out its policy of aggression.

In so far as concerns the railway and the mines that go with it, referred to in Article 156, para. 2, the Allied and Associated Powers hold that these should be considered as public property. They would, however, be prepared, in the event of Germany adducing proof to the contrary, to apply to such private rights as German nationals may be able to establish in the matter, the general principles laid down in the Conditions of Peace in respect of compensation of this character.

VI.

The Allied and Associated Powers are anxious that no misunderstanding should exist with regard to the disposition of the property of German missions in territory belonging to them or of which the government is entrusted to them in accordance with the Treaty. They have, therefore, explicitly stated that the property of these missions will be handed over to boards of trustees appointed by or approved by the Governments and composed of persons holding the faith of the mission whose property is involved.

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PART V.

MILITARY, NAVAL AND AIR CLAUSES.

SECTION I.

Military Clauses.

I.

The Allied and Associated Powers wish to make it clear that their requirements in regard to German armaments were not made solely with the object of rendering it impossible for Germany to resume her policy of military aggression. They are also the first steps towards that general reduction and limitation of armaments which they seek to bring about as one of the most fruitful preventives of war, and which it will be one of the first duties of the League of Nations to promote.

II.

They must point out, however, that the colossal growth in armaments of the last few decades was forced upon the nations of Europe by Germany. As Germany increased her power, her neighbours had to follow suit unless they were to become impotent to resist German dictation or the German sword. It is therefore right, as it is necessary, that the process of limitation of armaments should begin with the nation which has been responsible for their expansion. It is not until the aggressor has led the way that the attacked can safely afford to follow suit.

III.

The Allied and Associated Powers cannot agree to any alteration in principle of the conditions laid down in Articles 159-180, 203-208 and 211-213 of the Treaty.

Germany must consent unconditionally to disarm in advance of the Allied and Associated Powers; she must agree to immediate abolition of universal military service; a definite organization and scale of armament must be enforced. It is essential that she should be subjected to special control as regards the reduction of her armies and armaments, the dismantling of her fortifications, and the reduction, conversion or destruction of her military establishments.

IV

Whilst the Allied and Associated Powers regard the strict maintenance of these principles as a sacred duty and refuse in any way to depart from them, they are nevertheless willing in the interests of general peace and the welfare of the German people to admit the following modifications of the Military Clauses, Articles 159-180 of the Treaty.

(a) Germany will be allowed to reduce her Army more gradually than at present stipulated, i.e. to a maximum of 200,000 men within 3 months; at the end of that 3 months and every subsequent 3 months a Conference of Military experts of the Allied and Associated Powers shall fix the strength of the German Army for the coming three months, the object being to reduce the German Army to the 100,000 men stipulated in the Treaty as soon as possible, and in any case by the expiration of the Law of the Reichswehr, i.e., by 31st March, 1920.

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(b) The number of formations, officers or persons in the position of officers, and civilian personnel shall be in the same ratio to the total effectives laid down in (a) above as that laid down in the Treaty.

Similarly, the number of guns, machine guns, trench mortars, rifles, and the amount of ammunition and equipment shall bear the same ratio to the total amount allowed in (a) above as that laid down in the Treaty.

(c) No deviation from the organization in Armament laid down in the present Treaty can be permitted until Germany is admitted to the League of Nations, which may then agree to such modifications as seem desirable.

(d) All the remaining German war material shall be handed over in the period fixed by the Treaty.

The periods laid down in the Treaty for the demolition of fortifications will be modified as follows:—

“All fortified works, fortresses and land forts situated in German territory west of a line traced 50 kilometres east of the Rhine shall be disarmed and dismantled.

“Those fortresses which are situated in territory not occupied by the Allied Armies shall be disarmed in a period of two months, and dismantled in a period of six months.

“Those which are situated in territory occupied by the Allied Armies shall be disarmed and dismantled within the time limits which shall be fixed by the Allied High Command; the necessary labour being furnished by the German Government.”

V.

With the amendments and modifications enumerated in paragraph IV above, the Military Clauses (Article 159-180) and those affecting the carrying out of the terms therein laid down (Articles 203-208 and 211-213) are to be maintained.

SECTION II.

NAVAL CLAUSES.

The conditions and proposals of the German Delegates relative to the Naval Clauses cannot be entertained. All these Articles have been carefully framed and must be accepted unconditionally. They are based on the desire for a general limitation of the armaments of all nations and at the same time leave to Germany the requisite naval force for self-protection and police duties.

No negotiations are necessary with regard to this portion of the Treaty, prior to its signature. All details can be settled by the Naval Commission to be appointed subsequently in accordance with Section IV of Part V.

There are no financial measures contemplated by the Allied and Associated Powers in connection with the surrender of any of the warships mentioned in the draft Treaty; they are required to be handed over unconditionally.

PART VI.

PRISONERS OF WAR.

The Allied and Associated Powers have nothing to add to their note of May 20, 1919, on this subject.

PART VII.

I.

THE RESPONSIBILITY OF GERMANY FOR THE WAR.

The German Delegation have submitted a lengthy Memorandum in regard to the responsibility of Germany for the initiation of the war. The burden of the argument in this document is that at the very last moment of the crisis the German Government endeavoured to induce moderation on the part of an ally to whom she had previously given complete liberty of action, and that it was the mobilization of the Russian army which finally made inevitable the outbreak of the general war.

The Allied and Associated Powers, however, wish to make it clear that their views as to the responsibility of the war is not based merely upon an analysis of the events which took place in the last critical hours of the crisis which preceded the actual outbreak of hostilities. They note that the German memorandum is largely occupied with the discussion of one aspect of the European situation in the years preceding the outbreak of the war. The observations contained in it and the documents quoted will no doubt afford valuable material for the historian of the future but they cannot see that any new facts are brought to light or that any new interpretation is given of facts already known which would in the least modify the conclusions already arrived at. They are the more inclined to take this view as they observe that there are considerable discrepancies between the three versions of this document which they have received. There is nothing in it which shakes their conviction that the immediate cause of the war was the decision, deliberately taken by those responsible for German policy in Berlin and their confederates in Vienna and Budapest, to impose a solution of a European question upon the nations of Europe by threat of war and, if the other members of the concert refused this dictation, by war itself instantly declared.

The German memorandum indeed admits without reserve the accuracy of this view. The Serbian question was not, and never could have been, purely an Austro-Hungarian question. It affected Germany. It affected all the Great Powers. It was essentially a European question, for it involved the control of the Balkans, and therefore concerned the peace, not only of the Balkans, but of the whole of Europe. It was impossible to isolate it and the authors of the ultimatum of July 23 knew that it could not be isolated.

If, therefore, the German and Austro-Hungarian Governments had desired a pacific settlement, they would have consulted with the other Powers whose interests were vitally affected, and only taken action after making the utmost endeavour to arrive at an agreed solution. Yet the Memorandum of the German Delegation explicitly admits that the German Government authorised its ally to endeavour to solve the Austro-Serbian question on its own initiative and by war. "On the strength," it says, "of statements received from the Cabinet in Vienna, the German Government considered an Austrian military expedition against Serbia essential for the preservation of peace. The German Government considered itself obliged to take the risk of Russian intervention with the resultant *casus foederis*. She gave her ally Austria a completely free hand as to the nature of the demands to be made by her on Serbia. When the ultimatum was followed by an answer which appeared to Germany herself sufficient to justify the abandonment of the expedition after all, she indicated this view to Vienna."

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The later action of the German Government was perfectly consistent with this initial policy. It supported the rejection, without consideration, of the extraordinary concessions made by Serbia in response to the insolent and intolerable demands of the Austro-Hungarian Government. It supported the mobilisation of the Austro-Hungarian army and the initiation of hostilities, and steadily rejected every proposal for conference, conciliation or mediation, though it knew that once mobilisation and military action were undertaken by any of the Great Powers it inevitably compelled a response from all the rest and so hourly reduced the chances of pacific settlement. Only at the eleventh hour, when all chance of avoiding war had practically vanished, did the German Government counsel moderation on her ally. Even on this single point in Germany's favour, the Memorandum of the German Delegates is forced to admit a doubt. "The reason," it says, "for the delay in the reply of the Cabinet at Vienna to this proposal is not known to us," and then they go on to say in words which are underlined, "This is one of the most vital points which still require elucidation." May it not be that, as was not uncommon with the German Foreign Office, unofficial communications or a previous understanding between those who had the real power, differed somewhat from the message which travelled over the official wires.

The German Government would now throw the blame for the failure of the attempts to procure peace on the mobilisation of the Russian army. They ignore that this was the immediate and necessary consequence of the mobilisation of the Austrian army, and the declaration of war on Serbia, both authorised by Germany. These were the fatal acts by which the decision was taken out of the hands of the statesmen and control transferred to the military. It is on the German statesmen that equally rests the responsibility for the hasty declaration of war on Russia, when Austria herself was apparently hesitating, and for the declaration of war on France. So great was the haste of the German Government that when no plausible reason could be found, allegations were invented, the complete falsity of which has long ago been demonstrated. The German Delegation now admits that the German Government "did not take the trouble to verify," the reported facts which they published as justifying their declaration of war.

After reading what the German Delegation has to say in self-defence, the Allied and Associated Powers are satisfied that the series of events which caused the outbreak of the war was deliberately plotted and executed by those who wielded the supreme power in Vienna, Budapest and Berlin.

The history of the critical days of July, 1914, however, is not the sole ground upon which the Allied and Associated Powers consider that the responsibility of Germany for the war must be tried. The outbreak of the war was no sudden decision taken in a difficult crisis. It was the logical outcome of the policy which had been pursued for decades by Germany under the inspiration of the Prussian system.

The whole history of Prussia has been one of domination, aggression and war. Hypnotised by the success with which Bismarck, following the tradition of Frederick the Great, robbed the neighbours of Prussia and forged the unity of Germany through blood and iron, the German people after 1871 submitted practically without reserve to the inspiration and the leadership of their Prussian rulers.

The Prussian spirit was not content that Germany should occupy a great and influential place in a Council of equal nations to which she was entitled, and which she had secured. It could be satisfied with nothing less than supreme and autocratic power. At a time, therefore, when the western nations were seriously endeavouring to limit armaments, to substitute friendship for rivalry in international affairs, and to lay the foundation of a new era in which all nations should co-operate in amity in the conduct of the world's affairs, the rulers of Germany were restlessly sowing suspicion and hostility among all her neighbours, were conspiring with every element of unrest in every land, and were steadily increasing Germany's armaments and consolidating

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her military and naval power. They mobilised all the resources at their command, the universities, the press, the pulpit, the whole machinery of governmental authority to indoctrinate their gospel of hatred and force, so that when the time came the German people might respond to their call. As a result in the later years of the 19th century, and during the 20th century, the whole policy of Germany was bent towards securing for herself a position from which she could dominate and dictate.

It is said that Germany developed her armaments in order to save herself from Russian aggression. Yet it is significant that no sooner was Russia defeated by Japan in the Far East and almost paralysed by the subsequent internal revolution than the German Government immediately redoubled its attempts to increase its armaments and to domineer over its neighbours under the threat of war. To them the collapse of Russia was not an occasion to try to reduce armaments and bring peace to the world in concert with the Western Powers. It was the opportunity to extend their own power. Further the whole point of German organisation was aggressive. Their scheme of railways, both east and west, their order of mobilisation, their long concocted plan to turn the flank of France by invading Belgium, the elaborate preparation and equipment, both within and beyond her borders, as revealed on the outbreak of the war,—all had aggression and not defence in view. The military doctrine that Germany could only be defended by springing first upon her neighbours was the excuse for demanding a military organization and a strategic plan which, when the time came, would enable them to smash all resistance to the ground and leave Germany the undisputed master both in the East and the West.

It is not the purpose of this Memorandum to traverse the diplomatic history of the years preceding the war, or to show how it was that the peace-loving nations of Western Europe were gradually driven, under a series of crisis provoked from Berlin, to come together in self-defence. Autocratic Germany, under the inspiration of her rulers, was bent on domination. The nations of Europe were determined to preserve their liberty. It was the fear of the rulers of Germany lest their plans for universal domination should be brought to nought by the rising tide of democracy, that drove them to endeavour to overcome all resistance at one stroke by plunging Europe in universal war. The view of the Allied and Associated Powers could not indeed be better expressed than in the words of the German Memorandum itself: "The real mistakes of German policy lay much further back. The German Chancellor who was in office in 1914 had taken over a political inheritance which either condemned as hopeless from the start his unreservedly honest attempt to relieve the tension of the internal situation, or else demanded therefore a degree of statemanship, and above all a strength of decision, which on the one hand he did not sufficiently possess, and on the other, he could not make effective in the then existing conditions of German policy."

In view, therefore, of the Allied and Associated Powers Germany's responsibility is far wider and far more terrible than that to which the Memorandum of the German Delegation would seek to confine it. Germany, under the inspiration of Prussia, has been the champion of force and violence, deception, intrigue and cruelty in the conduct of international affairs. Germany for decades has steadily pursued a policy of inspiring jealousies and hatred and of dividing nation from nation in order that she might gratify her own selfish passion for power. Germany has stood athwart the whole current of democratic progress and international friendships throughout the world. Germany has been the principal mainstay of autocracy in Europe. And in the end, seeing that she could attain her objects in no other way, she planned and started the war which caused the massacre and mutilation of millions and the ravaging of Europe from end to end.

The truth of the charges thus brought against them the German people have admitted by their own revolution. They have overturned their Government because they have discovered that it is the enemy of freedom, justice and equality at home. That

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same Government was no less the enemy of freedom, justice and equality abroad. It is useless to attempt to prove that it was less violent and arrogant and tyrannical in its foreign than it was in its internal policy, or that the responsibility for the terrible events of the last five years does not lie at its doors.

II.

PENALTIES.

The Allied and Associated Powers have given consideration to the observations of the German Delegation in regard to the trial of those chargeable with grave offences against international morality, the sanctity of treaties and the most essential rules of justice. They must repeat what they have said in the letter covering this Memorandum, that they regard this war as a crime deliberately plotted against the life and liberties of the peoples of Europe. It is a war which has brought death and mutilation to millions and has left all Europe in terrible suffering. Starvation, unemployment, disease stalk across that continent from end to end, and for decades its peoples will groan under the burdens and disorganisation the war has caused. They therefore regard the punishment of those responsible for bringing these calamities on the human race as essential on the score of justice.

They think it not less necessary as a deterrent to others who, at some later date, may be tempted to follow their example. The present Treaty is intended to mark a departure from the traditions and practices of earlier settlements which have been singularly inadequate in preventing the renewal of war. The Allied and Associated Powers indeed consider that the trial and punishment of those proved most responsible for the crimes and inhuman acts committed in connection with a war of aggression, is inseparable from the establishment of that reign of law among nations which it was the agreed object of the peace to set up.

As regards the German contention that a trial of the accused by tribunals appointed by the Allied and Associated Powers would be a one-sided and inequitable proceeding, the Allied and Associated Powers consider that it is impossible to entrust in any way the trial of those directly responsible for offences against humanity and international right to their accomplices in their crimes. Almost the whole world has banded itself together in order to bring to nought the German plan of conquest and dominion. The tribunals they will establish will therefore represent the deliberate judgment of the greater part of the civilised world. They cannot entertain the proposal to admit to the tribunal the representatives of countries which have taken no part in the war. The Allied and Associated Powers are prepared to stand by the verdict of history as to the impartiality and justice with which the accused will be tried.

Finally, they wish to make it clear that the public arraignment under Article 227 framed against the German ex-Emperor has not a juridical character as regards its substance but only in its form. The ex-Emperor is arraigned as a matter of high international policy, as the minimum of what is demanded for a supreme offence against international morality, the sanctity of treaties and the essential rules of justice. The Allied and Associated Powers have desired that judicial forms, a judicial procedure and a regularly constituted tribunal should be set up in order to assure to the accused full rights and liberties in regard to his defence, and in order that the judgment should be of the most solemn judicial character.

The Allied and Associated Powers add that they are prepared to submit a final list of those who must be handed over to justice within one month of the coming into force of the Treaty.

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PART VIII.

REPARATION.

The Allied and Associated Powers, consistently with their policy already expressed, decline to enter into a discussion of the principles underlying the Reparation Clauses of the Conditions of Peace, which have been prepared with scrupulous regard for the correspondence leading up to the Armistice of November 11th, 1918, the final memorandum of which, dated 5th November, 1918, contains the following words:

"Further, in the conditions of Peace laid down in his address to Congress of the 8th January, 1918, the President declared that the invaded territories must be restored as well as evacuated and freed, and the Allied Governments feel that no doubt ought to be allowed to exist as to what this provision implies. By it they understand that compensation will be made by Germany for all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea, and from the air."

To the extent that the German reply deals with practical phases of the execution of the principles enunciated in the Conditions of Peace, it appears to proceed on the basis of a complete misapprehension, which is the more difficult to understand as the inferences drawn and the statements made are wholly at variance with both the letter and the spirit of the Treaty Clauses. For purposes of clarification, however, and in order that there may be no possible ground for misunderstanding, the Allied and Associated Powers submit the following observations:

The vast extent and manifold character of the damage caused to the Allied and Associated Powers in consequence of the war has created a reparation problem of extraordinary magnitude and complexity, only to be solved by a continuing body, limited in personnel and invested with broad powers to deal with the problem in relation to the general economic situation.

The Allied and Associated Powers, recognising this situation, themselves delegate power and authority to a Reparation Commission. This Reparation Commission is, however, instructed by the Treaty itself so to exercise and interpret its powers as to ensure, in the interest of all, an early and complete discharge by Germany of her reparation obligations. It is also instructed to take into account the true maintenance of the social, economic and financial structure of a Germany earnestly striving to exercise her full power to repair the loss and damage she has caused.

The provisions of Article 241, by which the German Government is to invest itself with such powers as may be needed to carry out its obligations, are not to be misconstrued as giving the Commission powers to dictate the domestic legislation of Germany. Nor does paragraph 12 (b) of Annex II give the Commission powers to prescribe or enforce taxes or to dictate the character of the German budget.

It is only to examine the latter for two specified purposes.

This is necessary in order that it may intelligently and constructively exercise the discretion accorded to it in Germany's interest, particularly by Article 234, with regard to extending the date and modifying the form of payments. The provisions of Article 240 with regard to the supply of information are similar in character and purpose, and there should be little occasion for the exercise of these powers when once the amount of the liability of Germany is fixed, if Germany is in a position to, and does, comply with the schedule of payments which then will have been notified to her and with the specific provisions of the several Annexes relative to reparation in kind. It is further to be observed that the power of modification accorded by the said Article 236 is expressly designed to permit of a modification in Germany's interest of a schedule of payments which events may demonstrate to be beyond Germany's reasonable capacity.

The Allied and Associated Powers vigorously reject the suggestion that the Commission, in exercising the power conferred by Article 240 and by paragraphs 2, 3 and 4 of Annex IV, might require the divulgence of trade secrets and similar confidential data.

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In short the observations of the German Delegation present a view of this Commission so distorted and so inexact that it is difficult to believe that the clauses of the Treaty have been calmly or carefully examined. It is not an engine of oppression or a device for interfering with German sovereignty. It has no forces at its command; it has no executive powers within the territory of Germany; it cannot, as is suggested, direct or control the educational or other systems of the country. Its business is to fix what is to be paid; to satisfy itself that Germany can pay; and to report to the Powers, whose Delegation it is, in case Germany makes default. If Germany raises the money required in her own way, the Commission cannot order that it shall be raised in some other way; if Germany offers payment in kind, the Commission may accept such payment, but, except as specified in the Treaty itself, the Commission cannot require such a payment.

The German Observations appear to miss the point that the Commission is directed to study the German system of taxation for the protection of the German people no less than for the protection of their own. Such study is not inquisitorial, for the German system of taxation is not an object of curiosity to other Powers, nor is a knowledge of it an end in itself; but if any plea of inability which the German Government may advance is to be properly considered, such a study is necessary.

The Commission must test whether a sincere application is being given to the principle, accepted in the Observations, "that the German taxation system should impose in general on the taxpayer at least as great a burden as that prevailing in the most heavily burdened of the States represented on the Reparation Commission." If the German resources are to be properly weighed, the first subject of inquiry will be the German fiscal burden.

It is understood that the action necessary to give effect to the provisions of Annex IV, relative to reparation in kind, will be taken by Germany on its own initiative, after receipt of notification from the Reparation Commission.

The provisions of the Treaty are in no wise incompatible with the creation by Germany of a Commission which will represent Germany in dealings with the Reparation Commission and which will constitute an instrumentality for such co-operation as may be necessary. The Treaty specifically and repeatedly provides opportunities for the German Government to present facts and arguments with respect to claims and modes of payment within the limits of the principles and express provisions of the Treaty. This may be done through a commission and no reason is perceived why such a commission could not work in harmony with the Reparation Commission. Certainly this is greatly to be desired. The Allied and Associated Powers are therefore ready to agree to such a procedure as the following:—

Immediately after the Treaty is signed, Germany may present, and the Allied and Associated Powers will receive and examine, such evidence, estimates and arguments as she may think fit to present. Such documents need not be final but may be presented to the Commission subject to corrections and additions.

At any time within four months of the signature of the Treaty, Germany shall be at liberty to submit, and the Allied and Associated Powers will receive and consider, such proposals as Germany may choose to make. In particular, proposals will be received on the following subjects and for the following purposes. Germany may offer a lump sum in settlement of her whole liability, as defined in Article 232, or in settlement of her liability under any of the particular categories which have been decided upon and laid down. Germany may offer, either to carry out by her own means the restoration, and reconstruction, whether in part or in its entirety, of one of the devastated areas, or to repair under the same conditions certain classes damages in particular regions or in all the regions which have suffered from the war. Germany may offer labour, materials or technical service for use in such work, even though she does not execute the work herself. She may suggest any practicable plan, category

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by category or for the reparations as a whole, which will tend to shorten the period of enquiry and to bring about a prompt and effectual conclusion.

Without making further specifications, it may be said in a word that Germany is at liberty to make any suggestion or offer of a practical and reasonable character for the purposes of simplyfying the assessment of the damage, eliminating any question or questions from the scope of the detailed enquiry, promoting the performance of the work and accelerating the definition of the ultimate amount to be paid.

The necessary facilities for making reliable estimates of the offers to be presented by her will be afforded to Germany at reasonable times. Three conditions only are imposed upon the tender of these proposals. Firstly, the German authorities will be expected before making such proposals to confer with the representatives of the Powers directly concerned. Secondly, such offers must be unambiguous, and must be precise and clear. Thirdly, they must accept the categories and the reparation clauses as matters settled beyond discussion. The Allied and Associated Powers will not entertain arguments or appeals directed to any alteration.

Within two months thereafter, the Allied and Associated Powers will, so far as may be possible, return their answer to any proposals that may be made. It is impossible to declare in advance that they will be accepted, and, if accepted, they may be subjected to conditions which can be discussed and arranged. The Allied and Associated Powers, however, declare that such proposals will be seriously and fairly considered; no one could be better pleased than they if, in the result, a fair, a speedy and a practical settlement were arrived at. The questions are bare questions of fact, namely, the amount of the liabilities, and they are susceptible of being treated in this way. Beyond this, the Allied and Associated Powers cannot be asked to go.

Even if no settlement were arrived at, it must be evident that the early production of the German evidence would greatly abbreviate the enquiry and accelerate the decisions. The German authorities have had long occupation of a large part of the damaged areas and have been over the ground, forwards and backwards, within the last twelve or fifteen months. The Allied and Associated Powers have as yet had no access to this mass of material.

It is obvious that, if the class of damages done in the devastated areas can be dealt with in this fashion, the liability under the other categories can be quickly established, for it depends on statistics and particulars of a far simpler character. By giving a satisfactory covenant themselves to execute the work of rebuilding, the Germans could at once dispose of the only difficult or long subject of inquiry.

The Allied and Associated Powers have to remark that in the Observations submitted the German Delegation has made no definite offer at all but only vague expressions of willingness to do something undefined. A sum of 100,000,000,000 marks (gold) is indeed mentioned, and this is calculated to give the impression of an extensive offer, which upon examination it proves not to be. No interest is to be paid at all. It is evident that till 1927 there is no substantial payment but only the surrender of military material and the devolution upon other Powers of large portions of Germany's own debt. Thereafter a series of undefined instalments is to be agreed, which are not to be completed for nearly half a century. The present value of this distant prospect is small, but it is all that Germany tenders to the victims of her aggression in satisfaction for their past sufferings and their permanent burdens.

The Allied and Associated Powers will, however, make a declaration on another point, as follows: The resumption of German industry involves access by the German people to food supplies and by the German manufacturers to the necessary raw materials and provision for their transport to Germany from overseas. The resumption of German industry is an interest of the Allied and Associated Powers as well as an interest of Germany. They are fully alive to this fact and therefore declare that they will not withhold from Germany commercial facilities without which this resumption cannot take place, but that, subject to conditions and within limits,

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which cannot be laid down in advance, and subject also to the necessity for having due regard to the special economic situation created for Allied and Associated countries by German aggression and the war, they are prepared to afford to Germany facilities in these directions for the common good.

Meanwhile, the draft Treaty must be accepted as definitive and must be signed. The Allied and Associated Powers cannot any longer delay to assure their security. Germany cannot afford to deny to her populations the peace which is offered to them. The Reparation Commission must be constituted and must commence its task. The only question open will be how best to execute the provisions of the Treaty.

The foregoing should suffice to demonstrate the reasonableness of the conditions under which Germany is to discharge her reparation obligations, and how utterly unfounded are the criticisms in the German reply. These are, indeed, explicable only on the theory that the German plenipotentiaries have read into the Conditions of Peace, in clear defiance of their express terms, an intention which is not there, but which it would be not unnatural to see displayed by victorious nations which have been the victims of cruelty and devastation on a vast and premeditated scale. The burdens of Germany undeniably are heavy, but they are imposed under conditions of justice by peoples whose social well-being and economic prosperity have been gravely impaired by wrongs which it is beyond the utmost power of Germany to repair.

PART IX.

FINANCIAL CLAUSES.

Before examining each of the articles on which the German Delegation has presented observations, the Allied and Associated Powers wish to recall the reply made by M. Clemenceau in their name on May 22, to a note from Count Brockdorff-Rantzau dated May 13, and especially Paragraph XIII of this letter:

"All the nations of Europe have suffered losses, they are bearing and will still bear for a long time burdens almost too heavy for them. These burdens and these losses have been imposed on them by the aggression of Germany. It is just that Germany, the primary cause of these calamities, should repair them to the full extent of her power. Her sufferings will be the result, not of the Peace conditions, but of the acts of those who provoked and prolonged the war. The authors of the war cannot escape its just consequences."

Germany must accept burdens and very heavy burdens being laid on her; financial obligations and guarantees taken by the Allied and Associated Powers to obtain the payment of their claims.

Germany will be able to meet her financial obligations either by means of property and resources that she possesses within the Empire, or by means of property that she possesses abroad.

Within the Empire the Allied and Associated Powers have claimed a charge only on the property and resources of the Empire and the German states. Their right in this regard, resulting from the financial clauses, has been limited as far as possible, and an effort has been made to avoid giving it any vexatious character. Finally, all exceptions compatible with the rights of the Allied and Associated Powers have been granted, and these will permit the economic interests and credit of Germany to be protected as far as possible.

Outside the Empire, the Allied and Associated Powers have abstained from claiming the transfer of German property and resources in neutral countries; they ask only the cession of property which is not indispensable to Germany's existence and which can be given up without causing any profound disturbance in her internal life.

In a word in view of the burdens that Germany must assume, the financial provisions adopted by the Allied and Associated Powers spare the essential interests of Germany as far as possible.

1. The Allied and Associated Powers again assert their right to obtain the payment of reparations and other charges resulting from the Treaty, in priority to the settlement of all other debts of the Empire or of the German States.

Nevertheless they consider it proper to provide, in certain special cases, for the granting of exceptions to the general principle thus laid down, and they are ready to insert at the beginning of Article 248 the following sentence:

"Subject to such exceptions as the Reparation Commission may approve a first charge."

This new stipulation will permit measures to be taken with a view to protecting German's credit as far as possible.

2. The provision prohibiting the export of gold is a guarantee for the Allied and Associated Powers; the latter have not, however, intended to use their right without reserve, and they have provided that Germany may export gold after receiving authorisation from the Reparation Commission.

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The latter will therefore have power to grant to the Reichsbank, whenever it sees fit, "the right of export, when it is a question of guarantees that this bank has furnished and that it could not furnish by any other means."

3. The military occupation constitutes for the Allied and Associated Powers one of the essential guarantees which they require; there can therefore be no argument about it. The cost of maintenance of armies of occupation has always been borne by the nation subject to the occupation; Germany applied this principle in 1871 when she imposed on France the cost of the German armies of occupation (Convention of Ferrieres, March 11, 1871).

4. No distinction can be made between the war material lost by the enemy in the course of military operations and the war material surrendered in execution of an armistice which terminates these operations. It is just therefore that the Reparation Commission shall not credit Germany with the value of material thus surrendered.

5. The provision inserted in Paragraph 2, of Article 251, grants, in favour of the food supply of Germany, an exception to the order of priority established by Paragraph 1 of the same article.

Moreover, it applies solely to the food supply effected through state organizations, since no charge has been established upon the property of the German nationals.

This clause is established in favour of Germany, and if the Allied and Associated Powers have reserved a right of control over the German food supply effected through state organizations, it is because it appears impossible to consent to so important an exception to the principle laid down in Article 248, without reserving control.

6. The partition of the pre-war debt of the German Empire and of the German States will be made in proportion to the contributory power of the various ceded territories. The determination of this contributory power is obviously very delicate, in view of the diversity of fiscal systems in the different German confederated states. Therefore it has not been thought desirable to settle this question at present, and it has been left to the Reparation Commission to estimate which of Germany's revenues will make it possible to compare the resources of the ceded territories and those of the Empire.

Moreover, the Allied and Associated Powers can not consider the assigning of a part of Germany's war debt to the liberated territories; such a division would in fact make the Powers receiving these territories support a part of Germany's war debt, which is inadmissible.

7. It cannot be contemplated that Poland should bear either directly or indirectly the burden of a debt contracted to extend Prussian influence at the expense of Polish rights and traditions.

8. The German colonies, having deficits, cannot possibly assume a part of the German debt. It is to be noted moreover that a large part of the expenses incurred in the German colonies was military and unproductive in character.

It would be unjust under these conditions to demand that the State made a mandatory by the League of Nations should assume a debt that the colony cannot support.

9. The Allied and Associated Powers have a right, after the events that have happened since 1914, to demand that Germany be no longer intimately involved in their financial and economic life, nor in that of her former Allies, nor in that of Russia.

Moreover, it seems almost certain that Germany, in order to meet the burden of reparations, will find herself obliged to alienate the greater part of the foreign securities held by her nationals. The protection of German holders, whose interests will by this fact be very much reduced, would no longer justify German participation in international organizations.

10. The German Delegation has presented in Annex II of these remarks, as well as in a special note of May 29, 1919, a certain number of observations.

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The first relate to the transfer of sums deposited in Germany in the name of the Ottoman Debt, of the Imperial Ottoman Government, or of the Austro-Hungarian Government.

The details furnished by the German Delegation on certain transfers effected in Germany necessitate two modifications of drafting, but the Allied and Associated Powers maintain the principles of the article in question.

In the first place, the Allied and Associated Powers have not lost sight of the fact that the obligations assumed by the German Government toward Turkey has for its counterpart the engagement by the Turkish Government to reimburse Germany later for the sums advanced by her. Article 259 must be compared with Article 261. The latter provides that the German credit shall be transferred to the Allied and Associated Powers.

In the second place, the Allied and Associated Powers have in their possession evidence showing under what conditions transfers of gold and silver were made in November, 1918, to the Turkish Ministry of Finance.

In the third place, they are of the opinion that if "no sum in gold or any pledge has been transferred to the German Government nor to the banks concerned, for the advances that Austria-Hungary has received through the medium of German banks," the provision in paragraph 5 will be without effect, and consequently it cannot justify any protest on the part of the German Delegation.

The other observations relate to the renunciation by Germany of the Treaties of Bucarest and Brest-Litovsk.

The German Delegation claims the annulment of the engagements incumbent on Germany by reason of these Treaties, as well as of the advantages stipulated in her favour.

These observations are not well founded.

In fact, Article 292, which the German Financial Delegation seems to have overlooked, abrogates purely and simply these Treaties, of which moreover the German Delegation declares (General Remarks, Part VII) that "there can be no further argument," since "Germany has already renounced the Treaty of Brest-Litovsk and the Peace of Bucarest was never ratified."

The Allied and Associated Powers have, moreover, searched in vain in the Peace of Bucarest for "engagements made by Germany."

11. The Allied and Associated Powers are of the opinion that the cession of the rights and interests of German nationals in every enterprise of public utility and in every concession in Russia and in the countries formerly allies of Germany is essential for the purpose of protection and reparation.

The Allied and Associated Powers have been able, moreover, to appreciate, in the course of the war, what use Germany was capable of making of the control she possessed over her allies and over Russia, and they consider that they have the right to withdraw from Germany all devolution of public authority in these countries.

12. The Allied and Associated Powers reserve the right to demand from Germany the transfer of all her credits on Austria, Hungary, Bulgaria and Turkey.

But Article 243 provides that the amount of these credits shall be entered to Germany's account under the category of reparations at such value as the Reparation Commission shall deem suitable.

13. The obligation to pay in specie cannot be interpreted as an obligation to pay in actual gold.

On the other hand, the Allied and Associated Powers cannot admit that Germany should pay "in the currency of the country in which the injury has been committed."

The countries which have suffered heavy damage must, to rebuild their ruins, have recourse to the aid of the Allied and Associated countries, and will have to incur heavy expenditures abroad; it would be inadmissible not to leave them the choice of claiming payment in the currency of which they may stand in need.

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Moreover, the bonds to be issued by Germany on account of the sums due for reparation must have a very wide market, and their interest must be payable in several currencies.

Finally, whenever it is a question of defining an obligation to pay, it must be done in a fixed currency.

14. In a note of May 29, 1919, the German Delegation has made certain observations relative to Article 263.

The product of the sale of Sao Paolo Coffee at Trieste having been deposited in the Bleichröder Bank, the Allied and Associated Powers cannot accept the suggestion of the German Delegation that these sums should not be included in Article 263.

At the same time the Allied and Associated Powers recognize that the words "with interest at 5 per cent from the day of deposit" should be changed as follows: "with interest at the rate or rates agreed upon."

The Allied and Associated Powers are willing, moreover, to omit the word "compulsory" from Article 263.

The German Government having refused to authorize the withdrawal of these sums and having agreed to return them "intact" at the end of the war, the Allied and Associated Powers must insist that the reimbursement be effected at the rates of exchange existing at the time that the deposits were made.

PART X.

ECONOMIC CLAUSES.

I.

COMMERCIAL POLICY.

The principles which the Allied and Associated Powers desire to bring into application when the world returns to normal conditions are those which President Wilson has enunciated on various occasions in his speeches and which are embodied in Article 23 (e) of the Covenant of the League of Nations.

But it is clear that the pronouncements of President Wilson relative to equality of trade conditions must be interpreted as relating to the permanent settlement of the world, and can only be regarded as applicable to a condition of things in which the League of Nations is fully constituted, and the world has returned to normal conditions of trade. In the meantime the establishment of a purely transitory regime necessarily differing from that contemplated in a final settlement is in no way in conflict with such ideas.

During this period "the equitable treatment for the commerce of all members of the League" requires that Germany should temporarily be deprived of the right she claims to be treated on a footing of complete equality with other nations.

The illegal acts of the enemy have placed many of the Allied States in a position of economic inferiority to Germany, whose territory has not been ravaged, and whose plant is in a condition enabling manufactures and trade to be at once resumed after the war. For such countries, a certain freedom of action during the period of transition is vitally necessary, but it is also necessary that the Allied and Associated Powers should in the meantime be safeguarded from the effects of special preferences or discriminations granted by Germany to an Allied or Associated country or to any other country. Hence during the transitory period formal reciprocity is not practicable; and it is only equitable that the Allied and Associated Powers should have for such period greater freedom to regulate their commercial exchanges than is accorded to the authors of the aggression. If it were otherwise, Germany would reap the benefit of the criminal acts which she committed in the territories she occupied with the object of placing her adversaries in a condition of economic inferiority.

It is, therefore, a consideration for justice which has led the Allied and Associated Powers to impose on Germany, for a minimum period of five years, non-reciprocal conditions in the matter of commercial exchanges. Articles 264 to 267, 323 and 327, drawn up on this basis, are measures of reparation, the duration of which will be determined by the League of Nations.

After the necessary period of transition is over, and when a reformed Germany is admitted to membership of the League of Nations, the Allied and Associated Powers will be able to co-operate with her in arriving at a more permanent arrangement for the establishment of an equitable treatment for the commerce of all nations.

No exception is taken by the German Delegation to the general principle that during a transition period special arrangements are necessary for the products of territories detached from Germany. In the absence of detailed criticism, it must be assumed that no serious objection is entertained to the provisions on this subject which are contained in the Treaty of Peace.

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The necessity of meeting the special conditions of the period of transition has similarly inspired the provision ensuring the application during a period of three years to imports of certain products from Allied and Associated countries of the most favourable rates of the German tariff which were in force in 1914. In this matter certain products, the output of which, in countries bordering on Germany, was specially adjusted with reference to German needs, are temporarily assured of their former market.

In order to enable Germany to establish such customs tariffs as she may consider necessary, the Allied and Associated Powers have limited to six months the period for which she is obliged to maintain generally the most favourable rates of customs duty which were in force for imports into Germany on the 31st July, 1914. Such a period is absolutely necessary in order to avoid the economic disturbance which an immediate change of tariff conditions would cause.

II.

TREATIES.

The general principles which underlie Section II of Part X of the Conditions of Peace explain the terms thereof.

The Allied and Associated Powers are certainly of the opinion that multilateral and bilateral treaties between people must exist, in times of peace, so that the principles of international law may be enforced and normal international relations maintained. They have therefore aimed at reapplying all multilateral treaties which seemed to them to be compatible with the new conditions arising out of the war.

As regards bilateral treaties, they have reserved for each of the Allied and Associated Powers the right to decide the matter in conformity with the principles of the Treaty of Peace.

But they could not permit the continuance of all the treaties which Germany imposed on her allies, on her temporarily defeated adversaries, and even in certain cases on neutral countries, with a view to securing particularly favourable conditions and special advantages of all kinds the maintenance of which is incompatible with the re-establishment of the spirit of justice.

This principle necessarily involves the rejection of the theory put forward by Germany in Section VII (Treaties) of the Remarks on the Conditions of Peace, and obviates the necessity for any negotiations on the matter. A general indiscriminate reapplication after the conclusion of Peace of all multilateral and bilateral treaties, even for a short time, cannot be accepted, and it is only just that the Allied and Associated Powers should have reserved and should reserve in the future the right to indicate which of these treaties with Germany they intend to revive or to allow to be revived.

The above applies to the whole of the German remarks on Section II of Part X of the Conditions of Peace, but these remarks call for the following further observations:—

1. The German Delegation seem to consider:—

(a.) That, as a result of errors or omissions, the list of multilateral treaties embodied in Article 282 is incomplete.

(b.) That the contents and meaning of Nos. 7, 17, 19, 20, and 21 of this Article are doubtful.

(c.) Further, that difficulties may arise, as the result of the individual reserves of States, which may limit the application of certain revived multilateral treaties.

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In reply to this, the Allied and Associated Powers would point out that: —

(a.) The German Government may, after the resumption of diplomatic relations with the Allied and Associated Powers, notify to them any subjects covered by non-revived conventions with regard to which they desire new treaties to be concluded or former agreements to be adapted.

(b.) The contents and meaning of the treaties numbered 7, 17, 19, 20 and 21 in Article 282 are not open to any doubt. As regards No. 19 the list of Sanitary Conventions may be completed as follows:—

“Sanitary Conventions of the 3rd December, 1903, and the preceding ones signed on the 30th January, 1892, the 15th April, 1893, the 3rd April, 1894, and the 19th March, 1897.”

(c.) Subject to any provisions to the contrary inserted in the Conditions of Peace, reserves which may have been made by the Powers signatory to the Treaty of Peace when they signed or adhered to the multilateral treaties revived by Section II of Part X of the Conditions of Peace, retain their value, such treaties reassuming their operation in the same conditions as before the war. If the conditions of their application are modified, a revision will automatically follow.

2. The German Delegation states that the acceptance by Germany of Articles 283 and 284 is incompatible with the dignity of an independent people.

This opinion is based on a misunderstanding of the meaning and terms of Articles 283 and 284. Germany merely undertakes by Article 283 not to refuse her consent to the conclusion by the new States of the special arrangements referred to in the Postal and Telegraphic Unions. It is not stipulated that the text of these arrangements shall be dictated to her and that she must accept such text without discussion. This Article merely prevents a systematic refusal to the conclusion of such arrangements or insistence on requirements which make their conclusion impossible.

Article 284 leaves to Germany the option of participating in the drawing-up of the proposed new Radiotelegraphic Convention. There is nothing to prevent her exercising this option if she so desires.

It is impossible to regard it as an extreme hardship that in matters of this description affecting the peaceful intercourse of European nations Germany should be required to abstain from adopting an attitude which would obstruct international communications. The Allied and Associated Powers are, however, prepared to limit Germany's obligation to be bound by a new Radiotelegraphic Convention to the case where such a Convention is concluded within five years.

3. The German objections to Article 289 appear to arise out of a misunderstanding of its intention. Whilst the Allied and Associated Powers could not agree to the revival of bilateral treaties or of any clauses in bilateral treaties which are not in accordance with the terms of the Peace Treaty itself, they are quite prepared to give an assurance that this provision will not be arbitrarily used for the purpose of splitting up bilateral treaties in such a way that only the obligations should remain on one side and on the other side only the rights. The Allied and Associated Powers will themselves, through the League of Nations, exercise a surveillance to ensure that the provisions of Article 289 are loyally carried out. With this end in view, the Article is modified to read as follows:

“Each of the Allied and Associated Powers, being guided by the general principles or special provisions of the present Treaty, shall notify to Germany the bilateral treaties or conventions which such Allied or Associated Power wishes to revive with Germany.

“The notification referred to in the present Article shall be made either directly or through the intermediary of another Power. Receipt thereof shall be acknowledged in writing by Germany. The date of the revival shall be that of the notification.

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"The Allied and Associated Powers undertake among themselves not to revive with Germany any conventions or treaties which are not in accordance with terms of the present Treaty.

"The notification shall mention any provisions of the said Conventions and Treaties which, not being in accordance with the terms of the present Treaty, shall not be considered as revived.

"In case of any difference of opinion, the League of Nations will be called on to decide.

"A period of six months . . . "

Bilateral treaties between Germany and states which broke off diplomatic relations with her but did not declare war are expressly included in Article 289 on the same basis as treaties with those states which did declare war. There is no universally recognized rule of international law on the subject, it is accordingly open to the Allied and Associated Powers to deal with the matter in the most convenient manner in the Peace Treaty.

4. The treaties referred to in Articles 290 and 292 are essentially among those which Germany concluded by taking undue advantage of the circumstances she herself created, the pressure she exercised, or her temporary military preponderance. Whatever the consequences to Germany of their abrogation, it is impossible to maintain them in force after the conclusion of a Treaty of Peace based upon the principle of justice.

The Allied and Associated Powers cannot admit that the abrogation by Germany of all treaties concluded with her former allies since the 1st August, 1914, and of all treaties concluded before or since that date with Russia and states or governments whose territories formerly made part of Russia and with Roumania, which is required by Articles 290 and 292, must of necessity grievously jeopardise her relations with these states. This abrogation is rendered necessary by the vast political changes which have been brought about by the war and by the fact that all treaties with Russia and states or governments whose territories formerly made part of Russia and with Roumania, concluded since the outbreak of the war, must necessarily be regarded as having been imposed by Germany on unwilling states. The abrogation does not affect Germany's freedom to enter into fresh negotiations with these states for the conclusion of new arrangements suitable to the altered conditions. By this means any serious jeopardy to the resumption of friendly economic relations can easily be avoided.

5. Any special negotiation regarding Articles 291 and 294 is superfluous. The object of these Articles is clear and plain; the Allied and Associated Powers establish equality as between themselves and Germany by obtaining *ipso facto* the benefit of the treatment accorded by her before the 1st August, 1914, to her former allies and of the treatment which for interested motives or for ends inimical to the interests of the Allied and Associated Powers, she may have granted during the war to Powers which have remained neutral.

GERMAN APPENDIX ON SPECIAL LEGAL QUESTIONS.

III

RESUMPTION OF CONSULAR RELATIONS.

The German Delegation requests reciprocity in respect of the right reserved to the Allied and Associated Powers, under Article 279 of the Peace Treaty, to place consuls in German ports and towns. The unilateral character of this stipulation of Article 279 results from the political activities of German Consuls and from the acts committed by the Germans in the territories of certain Allied and Associated powers.

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It should be added, however, that there is nothing in the Article to prevent either the renewal under Article 289 of pre-war Consular Conventions between individual Allied and Associated Powers and Germany, or the conclusion of new arrangements between Germany and such Powers for the admission of German Consular officers into their territory.

IV.

TREATMENT OF PRIVATE PROPERTY.

The question of the treatment of private right is dealt with in the German Delegation's Notes of the 22nd and 29th May and in the Annex No. 1 to their Remarks on the Conditions of Peace. In addition, the general objections set out in these documents are reproduced under different forms in various parts of the remarks.

I.—QUESTIONS OF PRINCIPLE.

The objections of principle to the Conditions of Peace put forward by the German Delegation on this subject may be summed up as follows:—

(a) It is not legitimate to use the private property of German nationals to meet the obligations of Germany.

(b) The settlement of private rights is not made on the principle of reciprocity.

(c) German property should not be used as a guarantee for the liabilities of the States allied to Germany.

(d) The liquidation to be made by the Allied and Associated Powers, in depriving the owner of the free disposition of his property, are of a confiscatory character.

The answers of the Allied and Associated Powers to these objections are as follows:—

(a) As regards the first objection, they would call attention to the clear acknowledgment by Germany of a pecuniary obligation to the Allied and Associated Powers, and to the further circumstance that the immediate resources of Germany are not adequate to meet that obligation. It is the clear duty of Germany to meet the admitted obligation as fully and as promptly as possible and to that end to make use of all available means. The foreign investments of German nationals constitute a class of assets which are readily available. To these investments the Treaty simply requires Germany to make prompt resorts.

It is true that, as a general principle, a country should endeavour to avoid making use of the property of a part of its nationals to meet State obligations; but conditions may arise when such a course becomes necessary. In the present war Allied Powers themselves have found it necessary to take over foreign investments of their nationals to meet foreign obligations and have given their own domestic obligations to the nationals who have been thus called upon to take a share, by this use of their private property, in meeting the obligations of the State.

The time has arrived when Germany must do what she has forced her opponents to do. The necessity for the adoption of this course by Germany is clearly understood by the German Peace Delegates, and is accepted by them in the following passage, quoted textually from their note of the 22nd May:—

“The German Peace Delegation is conscious of the fact that under the pressure of the burden arising from the Peace Treaty on the whole future of German economic life, German property in foreign countries cannot be maintained to its previous extent. On the contrary, Germany, in order to meet her pecuniary obligations, will have to sacrifice this property abroad in wide measure. She is prepared to do so.”

The fundamental objection mentioned above is completely answered by the note itself.

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(b) The German Delegation maintains in its note of the 22nd May that there is only the appearance of reciprocity in regard to the settlement of enemy property, and this objection is developed in the Annex to the Remarks. The objection, however, arises from a confusion between two entirely different matters. As regards exceptional war measures taken in the different countries in respect of enemy property there is a reciprocal provision, these exceptional war measures being confirmed on both sides. Quite a different matter is that of the mode in which enemy property shall be dealt with thereafter. German property, as is admitted in the German note, must serve towards meeting Germany's obligations to the Allies. The compensation to the German property-owner must be made by Germany itself. In this respect there can be no question of reciprocity.

(c) On the question whether German property should serve as a guarantee for the liabilities of the States allied with Germany, it is to be observed, on the one hand, that the actions of Germany and her allies during the war have given rise to complete solidarity between these Powers from the economic standpoint. For instance, negotiations undertaken without scruple between Germany and her allies have resulted in the division between these countries of the proceeds of the Allied and Associated property liquidated contrary to all right in the territories occupied by the German troops. Further, the German authorities have in several ways treated the Allies and Associated Powers as being jointly concerned. For instance, they have seized French credit balances in Belgian banks as a measure of reprisal against acts done in other Allied States. They have similarly justified the liquidation of French property in Germany on the ground that similar measures have been taken against German property in other Allied countries. Thus, the principle of joint liability to which Germany now objects has been initiated by herself, and she has created a situation which does not permit the Allied and Associated Powers in practice to separate the obligations of her allies from her own. Nevertheless the Allied and Associated Powers are prepared to omit from the charge on the property of German nationals the liability to satisfy the unpaid debts of nationals of Powers allied with Germany.

(d) The method of using this property laid down by the Treaty cannot be considered, either in principle or in the method of its application, as a measure of confiscation. Private German interests will only be injured by the measures contemplated so far as Germany may decide that they shall be, since all the proceeds of German property will be carried to the credit of Germany, who is required to compensate her own nationals, and will go to reduce her debt to the Allied and Associated Powers.

V.

DEBTS.

While reciprocity cannot be accorded in all respects, the Allied and Associated Powers have nevertheless applied this principle wherever it has been possible. Such is the case with regard to the Clearing Office system provided in the Conditions of Peace. Reciprocity is complete in so far as regards individuals. The system departs therefrom only in so far as regards the non-payment to Germany of balances which may become due by the Allied and Associated Powers, and this provision is merely the application of the principle of the retention of enemy property for payment of claims.

1. Provision of Article 296 (c), under which each of the Allied and Associated Powers, but not Germany, is able to decide whether the scheme is to be applied between Germany and any Allied Power or not.

It is not possible to give both the Allied or Associated Powers and Germany an option whether to adopt the scheme or not, for the result might be that one Power would decide to adopt it and the other not to adopt it.

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2. *Provision of Article 296 (d) that debts shall be paid in the currency of the Allied or Associated Power concerned at the pre-war rate of exchange.*

Owing to the great depreciation in the value of the mark, some hardship will necessarily result in the settlement of pre-war debts whatever basis of settlement may be adopted. The method provided for is as fair to both sides as could be devised. While under this scheme an Allied creditor who is owed a sum in marks by a German debtor will receive an equivalent amount in Allied currency at the pre-war rate of exchange, a German creditor of an Allied debtor who owes a sum in marks will also be credited with the amount of Allied currency calculated at the pre-war rate of exchange, so that reciprocity is accorded in this respect.

3. *Prohibition of direct arrangements between debtors and creditors.*

It appears that one of the objections to the prohibition of direct agreements between debtors and creditors is that such prohibition will prevent modification of the amount of the debts. An essential part of the scheme is that debts shall be guaranteed by the Governments concerned and paid in full, and no provision which would enable debtors and creditors to agree to be satisfied with some smaller amount than the full claim can be admitted.

Article 296, paras. 3 and 4.

4. The reserve contained in Article 296, paragraphs 3 and 4, provides for a case in which the payment of interest on Government securities shall have been suspended or deferred with regard to all the holders of these Government securities whatever their nationality. The clearing office system ought not to have the effect of allowing a former enemy to receive interest when holders who are nationals of the State by which the loan was issued or neutrals have not been paid. This provision is reciprocal. Enemy holders of similar securities will receive arrears of interest under the same conditions as other holders.

Article 296 (b).

5. The German Delegation objects to the guarantee of the State for the debts of its citizens only on the ground that reciprocity is not given. Full reciprocity is given with regard to this guarantee. The necessity for retaining any balance in favour of Germany arises, as explained above, from the fact that the immediate resources of Germany are not adequate to meet her obligations.

An explanation is desired of the terms "bankruptcy," "failure," and "formal indication of insolvency." These terms indicate conditions in which it has been recognised, in accordance with the laws of the State where a debtor resides, that he is not in a position to meet his liabilities in full.

Article 296 (c).

6. As explained above, there is nothing inequitable in the provision with regard to the currency and rate of exchange to be adopted for payment of debts. It is further suggested in the German Note that the method of settlement adopted will create a great demand for bills of exchange in the currency of the Allied and Associated Powers, and that this will necessarily lead to a further depreciation of German currency. There is no reason to anticipate such a result, for the balance due by Germany will in practice be settled by crediting Germany with the proceeds of German property liquidated in Allied or Associated States.

Article 296 (d), last paragraph.

7. As regards the rate of exchange in the case of new States, due regard will no doubt be paid by the Reparation Commission, in fixing the rate of exchange, to the provisions in force in the new States as to the relations between its currency and the currency previously existing in its territory.

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Article 296 (e).

8. The German Delegation points out that a period of six months is allowed within which any Allied or Associated State may decide to adopt the clearing office scheme, and suggests that if it is to be put into operation a speedy decision should be required. In this respect satisfaction can be given to the German Delegation, and for this purpose the period of six months can be reduced to one month from the date of ratification of the Treaty of Peace by the interested Power.

Article 296 (f).

9. This Article provides for the possibility of two Allied and Associated States which have adopted as regards Germany the clearing office system, agreeing that nationals of one in the territory of the other shall be treated as nationals of the latter with regard to the payment of their pre-war debts to Germans and the recovery of debts owing to them by Germans.

Article 72 (Special Provisions with Regard to Alsace-Lorraine).

In fact and in law economic relations between Alsace-Lorrainers and Germany have been suspended by the occupation and by the Armistice. They will only be resumed at a later date.

It is therefore necessary that the debts of which the payment has been suspended should be regulated by a special clearing office at a fixed and reciprocal rate of exchange.

The only debts here in question are those between Alsace-Lorrainers who acquire French nationality on the one hand, and the German Empire, German States, and their nationals on the other hand.

VI

PROPERTY RIGHTS AND INTERESTS.

Articles 297 and 298.

The German Delegation refers in the first place to the observations in its note of the 22nd May with regard to private property, rights and interests. The Allied and Associated Powers have examined above the principles involved in that note.

The Remarks of the German Delegation repeat the objection as to the right reserved to the Allied and Associated Powers to liquidate German property after the coming into force of the Treaty; to apply measures of liquidation in territory detached from Germany; and to avail themselves at once of the advantages of the settlement provided for in the Conditions of Peace.

It is sufficient to refer on this subject to the explanations already given, pointing out that the use of property in the manner provided is an essential means for the Allied and Associated States to recover a part of their claim. It is necessary, therefore, for this principle to be applied as widely as possible, and there can be no question of limiting it to property in Allied territory as that territory existed before the war, or to property which has already been liquidated during the war.

Nevertheless it appears possible to provide a special regime in this respect so far as regards the newly created Allied and Associated Powers and those which are not entitled to reparation in accordance with the Conditions of Peace.

So far as regards these Powers provision is now made that, without prejudice to the rights given to the Reparation Commission by the present Treaty, the proceeds of liquidation shall in certain cases be paid direct to the owner. If on the application of the owner the Mixed Arbitral Tribunal provided for by Section VI, or an arbitrator appointed by that Tribunal, is satisfied that the condition of the sale or measures taken by the Allied or Associated Government by which the liquidation has been effected, outside their general laws, were unfairly prejudicial to the price obtained, they shall

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have discretion to award equitable compensation to be paid by the Allied or Associated Government concerned to the owner.

Certain provisions of Article 297 of the Conditions of Peace are further made the subject of observations by the German Delegation with regard to special matters.

1. The Note of the 22nd May refers to paragraph 10 of the Annex to Section IV relating to the handing over of securities, certificates and like documents of title with regard to property situated in Allied and Associated countries. With regard to such delivery the Allied and Associated Powers have simply adopted a different method from that which Germany herself has adopted in like matters, but with no variation of principle. Germany, in case of similar liquidations of Allied property, gave new securities or certificates to German or neutral nationals, excluding Allied or Associated nationals from the companies or associations concerned. The Allies have considered it preferable for the purpose of liquidating German interests in Allied enterprises to require from Germany the direct delivery of the securities and documents of title held by Germans. This difference in method gives no reasonable ground for complaint.

Article 297 (f) and (g).

2. The German Delegation asks for an explanation with regard to the conditions in which nationals of Allied and Associated States who are owners of property which has been subjected to a measure of transfer in German territory can require the restoration of such property. This power is given to nationals of Allied and Associated States in the territory of which legislative measures requiring the general liquidation of enemy property were not in application before the signature of the Armistice. It does not appear that this provision can be misunderstood. Legislative measures requiring general liquidation clearly mean those which, as in Germany, have been passed by the legislative authority and were applicable to all the property of nationals of an enemy State.

The restoration in specie has the effect of assisting in the settlement of the compensation provided for nationals of Allied and Associated Powers, and limiting the inconveniences falling upon Germany from the depreciation of the mark.

3. The German Delegation also asks for explanations as to the disposal of the proceeds of liquidations of German property.

Such disposal is clearly dealt with by Article 297 (h) and paragraph 4 of the Annex to that Article, giving the Allied and Associated Powers the right to employ the proceeds of these liquidations as there specified.

Annex, paragraph 1.

4. The proviso at the end of the first part of the paragraph that the provisions of the paragraph shall not be held to prejudice the titles to property heretofore acquired in good faith and for value and in accordance with the laws of the country in which the property is situate by nationals of the Allied and Associated Powers, is inserted in order to prevent the rights of Allied nationals being prejudiced by the confirmation of action taken by the Allied and Associated States. This proviso will not affect the rights of German nationals.

Annex, paragraph 5.

5. The object of this paragraph is to require the restoration to the virtual owner of trade-marks outside Germany, which, through liquidation proceedings taken in Germany, have been transferred to other persons. It may be pointed out that the operation of the paragraph is limited to cases in which before the war the company incorporated in an Allied or Associated State had rights to the use of the trade marks or methods of reproduction referred to in the paragraph, and that the German company will be allowed to continue the use of the trade-marks in Germany and will also be able to manufacture in Germany.

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6. The German claim that the property of German institutions for research and education shall be wholly exempt from liability to liquidation cannot be conceded in view of the past activities of some of the institutions which nominally exist for the above purposes. Nevertheless, in the exercise of their rights under Article 297 with regard to any particular institution, the Allied and Associated Powers will have full regard to the interests of the advancement of science and education and of organisations *bonâ fide* limited to these objects.

The following explanations should be added on certain points referred to in the German Note of the 22nd May:—

It is suggested in the German Note that the Allied and Associated Governments reserve for themselves the right of extending the process of liquidation to German property which may come within their territory in the future. In explanation it may be said at once that paragraph (b) of Article 297 will be applied only to property as it exists on the coming into force of the Treaty of Peace.

The German Delegation suggests that there may have been corrupt or fraudulent machinations by persons in the Allied and Associated States dealing with the liquidation of German property. The Allied and Associated States are ready to give full assurance that proceedings will be taken against persons who have committed punishable offences in the liquidation of German property, and that they will welcome any information and evidence which the German Government can furnish in this respect.

Finally, the German Note states that it appears to be reserved to the Allied and Associated Governments to reach arbitrary decisions as regards the amount of the claims of their nationals in respect of acts committed by the German Government between the 31st July, 1914, and the date at which the respective Allied or Associated States entered the war. The Allied and Associated Governments agree that, so far as such claims are concerned, their amounts may be assessed by an arbitrator appointed by M. Gustav Ador, or if M. Ador cannot make the appointment, by an arbitrator appointed by the Mixed Arbitral Tribunal.

VII

CONTRACTS, PRESCRIPTIONS AND JUDGMENTS.

I. *Contracts.*

In the provisions of the Treaty the determination of the question of the maintenance or dissolution of contracts depends on the fact of trading between the parties being unlawful, because if such trading was not unlawful the contract could have been completed.

The provisions with regard to contracts do not apply to contracts between German nationals and the nationals of the United States of America, of Brazil and of Japan, because the constitution and law of those countries create difficulties in applying these provisions to their nationals.

It is suggested by the German Delegation that the continuance of contracts between enemies is made dependent on the inclination of the Allied and Associated States or of their nationals alone, but in the first place the exception contained in paragraph (b) of Article 299 is limited to cases in which the execution of a contract is required in the general interest, and in the second place, the execution can only be required by the Allied or Associated Government concerned and not by a national of that State. The same paragraph also provides for equitable compensation being granted where the maintenance of the contract would, owing to the alteration of trade conditions, cause one of the parties substantial prejudice.

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It is suggested further that this provision would make German contractual interests in the future a prey to the arbitrary will of aliens, but in accordance with the terms of paragraph (b) the execution of a contract thus maintained must be required within six months from the coming into force of the Treaty.

The German Delegation suggests that the future treatment of pre-war contracts cannot be solved in one and the same way for all classes of contracts, and it may be pointed out that certain classes of contracts, which are specified in paragraph 2 of the Annex, are excepted by that paragraph from the general rule of dissolution laid down by Article 299.

Article 299 (d).

It is suggested that some particular favour is shown to inhabitants of transferred territory who acquire the nationality of an Allied Power, by excluding contracts between Allied nationals and such persons from the general rule of dissolution of contracts. The Treaty, which settles the relations between Allied nationals and German nationals, has not to settle the question of the relations between Allied nationals; this question is entirely a domestic matter.

Annex, paragraph 12.

The rule laid down in this paragraph with regard to the cancellation of groups of contracts with German life insurance companies is perfectly equitable, for the German insurance company will get rid of its liability on the policies by handing over the proportion of its assets attributable to those policies.

Article 75.

The reasons of an economic character which require the cancellation of contracts concluded before the war between nationals of enemy Powers do not apply to contracts concluded during the war between Alsace-Lorrainers who regain French nationality and Germans. The maintenance of these contracts is accordingly provided for by the Treaty. At the same time, reasons of a political character may require the cancellation by the French Government in the general interest of certain contracts which were or may have been imposed on Alsace-Lorraine manufacturers with a view to subjecting their interests to German economic interests.

In order to avoid perpetuating the disturbance which cancellations of this character might introduce into commercial relations, the exercise of the right of cancellation has been limited to six months. Nevertheless, the Allied and Associated Powers agree to add to Article 75 the following provision:—

“If the dissolution provided for in the second paragraph of this Article would cause one of the parties substantial prejudice, equitable compensation, calculated solely on the capital employed without taking account of loss of profits, shall be accorded to the prejudiced party.”

II.—Prescriptions.

Article 300 (b).

This provision applies to judicial or administrative measures of execution which may have been taken in consequence of the non-performance of any act or formality during the war.

Article 300 (d).

This provision applies to cases in which a contract has been dissolved without resorting to any judicial or similar procedure. The Allied and Associated Powers agree to the addition of the words “between enemies” after the word “contract” in the first line of the paragraph in order to limit definitely the application of the paragraph to a contract between enemies.

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It is suggested by the German Delegation that paragraph (*d*) is unnecessary, because of the provisions of paragraph (*c*): but it should be pointed out that paragraph (*c*) only deals with cases in which rights have been prejudiced by measures referred to in paragraph (*b*). Paragraph (*d*) is accordingly necessary.

III.—*Judgments.**Article 302.*

The Treaty provides that in certain cases Allied or Associated Courts are competent to decide certain disputes, but this power is not given to the German Courts. Reciprocity is not therefore possible with regard to the execution of judgments or the application to the Mixed Arbitral Tribunal for compensation.

VIII.

MIXED ARBITRAL TRIBUNAL.

Article 304.

The suggestion that the jurisdiction of the Mixed Arbitral Tribunal be extended may be answered as follows. The purpose of the Tribunal is not only to decide new rights arising under the Treaty, but also to provide a new forum to which may be referred certain disputes concerning private rights already in existence. As to these, the Courts of the Allied and Associated Powers already have jurisdiction, and some of these Powers find insuperable difficulties in attempting to deprive their Courts of it. Under their systems of jurisprudence, and in existing circumstances, they find no sufficient reason for excluding their citizens from the access to their own courts which their laws now afford. No new jurisdiction is conferred upon any such courts, and German litigants are not prejudiced through the retention by such courts of the jurisdiction which they now have.

Article 304 (f).

The German proposal to bring into accord the wording of Article 304 (*f*) and of paragraph 24 of the Annex to Article 296, Section III may be accepted. For this purpose, the more precise of the two versions should be selected, viz., "The High Contracting Parties agree to regard the decisions of the Mixed Arbitral Tribunal as final and conclusive, and to render them binding upon their nationals."

Annex, paragraphs 8 and 9.

Objection is raised by the German Delegation to the provision in paragraphs 8 and 9 of the Annex to Article 304 providing that the language of the Mixed Arbitral Tribunal and the place and time of its sessions shall be determined by the Allied or Associated Power concerned; in order to meet this objection the Allied and Associated Powers agree that the language of the proceedings shall, unless otherwise agreed, be English, French, Italian or Japanese as may be determined by the Allied or Associated Power concerned, and that the time and place of meeting shall be determined by the President of the Tribunal.

Article 304 (g).

The Allied and Associated Powers further agree to accept the suggestion of the German Delegation according to which the tribunals and authorities of the High Contracting Parties will furnish to the Mixed Arbitral Tribunals direct all the assistance in their power, particularly by transmitting notices and collecting evidence.

With regard to the German note of the 29th May asking for information as to the property of German nationals in Allied and Associated countries, it is not possible to furnish a reliable estimate of the value of such property, but the German Delegation no doubt has information in its possession from the returns made to the German Government.

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IX.

INDUSTRIAL PROPERTY.

Article 306.

1. The term "ayants droit" in the French text and "legal representatives" in the English text, used in Article 306 as having an identical meaning, ought to be understood: the first as denoting the persons who legally represent the beneficiaries whose rights they have acquired, whether by succession or any other regular transfer, the second as signifying "heirs, executors and assigns."

2. The last paragraph of Article 306 relates only to cases where German-owned companies and businesses have been, or will be hereafter, liquidated under Article 297 of Section IV of the Treaty (Property Rights and Interests). The provision, which moreover corresponds to the measures taken by Germany in respect of property belonging to nationals of the Allied and Associated States is, therefore, limited to the businesses or companies which are, or will be, in existence at the coming into force of the Treaty.

3. The Allied and Associated Powers are not prepared to grant the request of the German Delegation for reciprocity in regard to the maintenance of the legal and administrative acts taken by the Government during the war in respect of industrial, literary, and artistic property. Certain Allied and Associated States have not taken any measures of this kind, so that if reciprocity were accorded it would be to the detriment of the rights of the nationals of such States without any offset.

4. The clause providing that no action shall be brought by Germany or her nationals in respect of the use during the war of her industrial, literary or artistic property by the Government of any Allied or Associated Power, or by any person acting on behalf or with the assent of such Government is clearly a proper and necessary clause providing for amnesty for all acts done by a Government or its agents. The Allied and Associated Powers are not, however, prepared to make the clause reciprocal, especially as they have no knowledge as to the action which may have been taken by the German Government with respect to the industrial, literary and artistic property owned by their citizens.

As regards the disposition of funds arising from the use of industrial property during the war, it should be pointed out that the procedure in this matter must necessarily be the same as that followed in regard to other debts.

5. The words "Unless the legislation of any one of the Allied and Associated Powers otherwise directs" in the fourth paragraph of Article 306 apply only to the legislation existing at the moment of the signature of the Treaty of Peace. There is no objection, in order to make this clear, to inserting the words "in force at the moment of the signature of the present Treaty" to qualify the word "legislation" in the first phrase of the fourth paragraph of Article 306.

6. The differences between the expression "sums due or paid" on the one hand and "sums produced" on the other in the fourth paragraph of Article 306, is explained by the fact that the effect of the Allied emergency measures will continue and that sums will be paid in the future, whereas the measures taken by the Germany will cease to have effect.

7. The fifth paragraph of Article 306, which provides that the Allied and Associated Powers shall have the right to impose limitations, conditions or restrictions on rights of industrial property owned by Germans, has by no means for its object the outlawing of such property or the confiscation of these rights.

(a) It is intended, on the one hand, to reserve to the Allied and Associated Powers the right to impose restrictions on industrial, literary, and artistic property when considered necessary for national defence or public interest. This right, which Germany has reserved to herself by her domestic legislation, is a general and continuing right, to be exercised as occasion arises in respect of industrial, literary, and artistic property acquired before or after the coming into force of the Treaty of Peace.

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(b) It is intended, on the other hand, to retain the power to use industrial, literary, and artistic property as a pledge for the accomplishment of the obligations of Germany and for the reparation of damages, in the same manner as it is proposed to retain power to deal with other German property. But it is not the intention of the Allied and Associated Powers to utilize for this purpose the industrial, literary, and artistic property which may arise after the coming into force of the present Treaty. Only the industrial, literary, and artistic property arising before or during the war will be subjected by the Allied and Associated Powers to limitations, conditions or restrictions for assuring the fair treatment by Germany of the rights of industrial, literary, and artistic property held in German territory by their nationals or for securing the due fulfilment of all the obligations undertaken by Germany in the present Treaty.

To make clear the different treatment which they intend to accord to property acquired before the coming into force of this Treaty and that acquired thereafter, the Allied and Associated Powers are prepared to add to the fifth paragraph of Article 306 the following provision:

As regards the rights of industrial, literary, and artistic property acquired after the coming into force of the present Treaty, the above-mentioned right reserved by the Allied and Associated Powers shall only be exercised in the case where these limitations, conditions, or restrictions may be considered necessary for national defence or in the public interest.

The Allied and Associated Powers see no objection to making it clear that the measures which can be taken under the fifth paragraph of Article 306 will not be exercised without compensation to the German beneficiaries of the rights, and with this object are prepared to insert after the above mentioned addition to this paragraph the following new paragraph:—

In the event of the application of the provisions of the preceding paragraph, by any Allied or Associated Power, there shall be paid reasonable indemnities or royalties, which shall be dealt with in the same way as other sums due to German nationals are directed to be dealt with by the present Treaty.

Article 307.

8. The German objection to the reservation by the Allied and Associated Powers of freedom to apply their war legislation to patents which may be revived under Articles 307 and 308 is based on an exaggerated view of the effect of this provision, which would probably affect only a small number of patents revived. All such patents would, if they had been kept up, have been subject to similar provisions during the war. The Allied and Associated Powers are prepared to limit their rights in this matter of the grant of licenses, and for this purpose to insert the words "as to the grant of licenses" after the word "provisions" in the penultimate line of the second paragraph of Article 307.

Article 310.

9. Since contracts for licenses in respect of rights in industrial, literary and artistic property should receive the same treatment as other pre-war contracts, the same procedure should be applied to them as is applied to contracts generally, as provided in Articles 299 to 305.

Article 311.

10. As regards the recognition and the protection of rights in industrial, literary and artistic property belonging to Germans in the territories separated from Germany, the following addition is made to Article 311:—

The rights of industrials, literary and artistic property which are in force in the territories separated from Germany in accordance with the present Treaty, at the moment of the separation of these territories from Germany, or which will be re-established or restored in accordance with the provisions of Article 306 of the present Treaty, shall be recognized by the State to which the said territory is transferred and shall remain in force in that territory for the same period of time given them under the German law.

PART XII.

PORTS, WATERWAYS AND RAILWAYS.

The remarks of the German Delegation regarding the clauses affecting communications (Part XII of the Conditions of Peace) are, for the most part, too general to allow of a detailed reply, and, further, are not in the nature of technical objections. On all points the German Delegation seems to recognize that the proposed measures are capable of practical application; its opposition is essentially one of principle, both from the theoretical and the political point of view.

These objections and criticisms can, indeed, be summarized as follows:—

In the first place, Germany considers her sovereign rights to be infringed by any stipulation introducing into the régime of her ports, navigable waterways and railways any kind whatever of international control, and indeed, by any stipulation introducing any definite contractual obligation in the Treaty of Peace. Further, since Germany claims to enter the League of Nations forthwith on a footing of complete equality with other peoples, she therefore refuses to subscribe to any engagements which would not be imposed on a basis of reciprocity, and immediately, on the Allied and Associated Powers, as on herself.

Opposition on points of detail and objection to the solution of particular problems are explained only on the basis of these two fundamental differences. Germany seems to agree as to the rules of freedom of transit and international circulation, but directly the question as to the measures necessary to secure the application thereof on her territory is raised, she alleges either that she cannot submit to a “meddling in her internal organization as regards railway traffic and working,” or that “the vital strength of German coast towns is intentionally weakened by the Allied and Associated Powers securing to themselves the right to use the ports and navigable waterways exempt, in practice, from any German control,” or, finally, that adhesion in advance to future international conventions on means of communication is an affront to her dignity, and that the provisions for the construction of railways and canals on her territory are a violation of her independence. In other cases (régime of tariffs on railways, equal treatment for all nations in ports and on navigable waterways), she accepts the proposed stipulations subject only to certain reserves and on condition of immediate reciprocity on the part of the Allied and Associated Powers. Similarly, it is noted that, with regard to the question of Danzig, Germany declares herself ready to accord, to assure Poland free access to the sea, facilities and advantages similar to those which are asked from her at Hamburg and Stettin on behalf of the Czecho-Slovak State; but without raising any objection of principle she claims to make the matter in both cases the subject of and a counter in a special negotiation with the interested parties only, without any international guarantee. The regulation of the Elbe, the Danube, and the Niemen, which also does not meet with any technical objections, should for similar reasons be left to friendly agreements which alone are compatible with the sovereign rights of the German State.

The Covenant of the League of Nations refers specially in Article 23 (e) to “provision to secure and maintain freedom of communications and of transit, and equitable treatment for the commerce of all members of the League. In this connection the special necessities of the regions devastated during the war of 1914-1918 shall be borne in mind.” This freedom of communications and equal treatment for all nations on the territory of Germany are exactly those laid down and guaranteed in Part XII of the Conditions of Peace. Until general conventions, which will be integral parts

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of the statute of the League of Nations, can render possible a wider application of these principles, it has appeared necessary to insert at once the essential provisions of such general conventions in the Treaty of Peace so that an enemy State may not, by future obstructive procedure and for political reasons, prevent their being put into force, and further to insist in advance that such general conventions shall be accepted in their entirety in the future. Provision is formally made for the extension of these provisions and for the ultimate grant of reciprocity in respect of all such as are capable of being made reciprocal, but only after five years, unless the Council of the League of Nations decides to prolong that period. It would not have been possible, by immediately granting equal treatment to Germany, to allow her to profit indirectly from the material devastation and the economic ruin for which her Government and her armies are responsible. But at the end of this period Germany will be able to claim on the territory of the Allied and Associated Powers the application of those measures which she to-day describes as constituting a meddling with her internal organization which cannot be borne, or, alternatively, she will herself cease to be bound thereby.

Such are the principles which underlie and explain the texts referring to the general régime of traffic on ways of communications. The Allied and Associated Powers have in no case attempted to prevent the legitimate use by Germany of her economic independence, but have merely proposed to prevent the abusive use thereof. Above all, they have aimed at securing freedom of communications and transit to or from young landlocked States, which in the absence of definite guarantees would have regained their political independence only to fall once again under the economic tutelage of Germany.

The same ideas have given rise to and inspired the solution of the definite problems raised by the organization of the particular communication routes in question.

Thus, the provisions regarding internal navigation routes apply only to river systems which are all international as defined by the Congress of Vienna and by later Conventions. The Oder, for example, from its confluence with the Oppa, was declared international under a Treaty between Austria and Prussia dated the 8th August, 1839; the Czecho-Slovak State possesses therefore a judicial interest in the navigation régime of this river. Nor are the canals mentioned in the Treaty the general canal system of Germany, but only (except in the case of the Rhine-Meuse and Rhine-Danube navigable waterways) the lateral canals constructed to duplicate or improve naturally navigable sections of the same international rivers. It should be noted in this connection that the Czecho-Slovak State declares itself prepared to place under the administration of the International Commission for the Oder a certain number of canals to be constructed subsequently to extend this system of waterways across its territory. Lastly, as regards the functions of the River Commissions, these are limited to the practical application of the principles laid down either in Articles 332 to 337 of the Treaty or in a future International Convention which is subject to the approval of the League of Nations. Their powers are not limited to German territory but extend in all cases to the territory of at least one of the Allied or Associated Powers. The internationalization of the Elbe is even extended to one of its tributaries whose course lies solely within Czecho-Slovakian territory, viz., the Vltava (Moldau) up to Prague. In conformity with all precedents, the sole object of the regulation of navigation on these rivers is to establish complete equality between the subjects of all nations, and not to allow any riparian State to use its geographical situation and the fact that a great route of international communication passes through its territory as a means of applying economic and political pressure on States dependent on it. Delegates from non-riparian States are included in the River Commissions as well as representatives of the riparian States, in the first place **representing the general interest** in free circulation on the rivers regarded as transit routes, and, secondly, so that within the River Commissions themselves they may

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act as a check on the strongest riparian State abusing her preponderating influence to the detriment of the others. For the same reason, in deciding upon the number of representatives allotted to each riparian State, the great factor of freedom of communication must rank first.

The international régime has been, or is ultimately to be, extended to certain connecting waterways. The Rhine-Meuse and the Rhine-Danube waterways, the construction of which is contemplated, and which are necessary for the development of communication by inland navigation between the North Sea and the Black Sea and to the vital economic interests of Belgium and the New States of Eastern Europe, cannot be left without guarantee under the sole control of Germany. The Kiel Canal, which was built solely for military ends, and the administration of which is left to Germany, must in future be open to international navigation so that an easier access to the Baltic may be secured for the benefit of all.

An undeniable regard for what is right underlies the provisions relating to the use of the water-power of the Rhine on the Franco-German frontier and those regarding the cession of railway material which, nevertheless, Germany describes as contrary to justice.

The use of the water-power of the Rhine is, indeed, left entirely in the hands of France, on whose territory almost all the works will be carried out; the building of weirs on either bank by two States who are necessarily competitors could only result in interference with navigability of the river and with the free exercise of the right of passage by all interested parties, and would diminish the economic yield from the use of the power. But France undertakes to pay Germany the share due to her by natural right in the use of the power, that is, one-half of the value of the power produced after deducting the cost of the works.

As to the cession of railway material, including the cessions to Poland, it is obvious that in making a fair distribution of the available rolling-stock among the States concerned special account must be taken of the necessity of the resumption of normal working conditions. It is certainly the intention of the Allied and Associated Powers that the condition in which railways and rolling-stock should be handed over is the actual condition in which such railways and rolling-stock happened to be at the time of the signature of the Armistice; with the exception, however, as regards the cession of rolling-stock, of cases where expert commissions might decide otherwise on account of the allocation of repair shops resulting from the territorial clauses.

The Allied and Associated Powers are therefore fully convinced that the principles of these clauses, based on the desire to guarantee the free régime of international routes of communication against all obstacles, are those on which the Armistice was based and which have governed the preparation of the Treaty of Peace. Nevertheless, actuated by the spirit of justice which has always guided the work of the Peace Conference, they have endeavoured to ascertain after a further careful and detailed examination of the provisions what alterations could equitably be made therein without infringing in any way the principles set out above, and as a result the following amendments have been introduced:—

The freedom of transit between East Prussia and the rest of Germany is more clearly defined.

The number of representatives from Germany on the Commission for the Oder is increased from one to three.

Measures are taken to ensure the representation of Germany at the Conference which will be charged with the duty of establishing definitive statute for the Danube.

The (future) Rhine-Danube canal is to be subjected merely to the régime applicable to waterways declared to be international.

The provisions relating to the possibility of an International Commission being required for the Kiel Canal, and a large part of the provisions relating to railways to be constructed on German territory, are deleted.

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PART XIII.

LABOUR.

The observations put forward by the German Delegation with reference to the Labour section of the Treaty contain practically nothing which has not already been included in the two notes previously submitted by that Delegation on the 10th and 22nd May, 1919, to which full and detailed replies were sent on the 14th and 28th May. The Allied and Associated Powers do not consequently think it desirable to resume the examination of the questions already dealt with in these notes and in the replies which have been made to them.

With reference to the point concerning the protection of labour in ceded territories, Article 312 of the Treaty expressly stipulates for such protection by means of conventions to be concluded between Germany and the States concerned. Further provision, however, has been made for carrying into effect the intention of this article by inserting in it a plan for reference to impartial technical commissions of all cases in which an early settlement is not reached by direct negotiation.

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PART XIV.

GUARANTEES.

The German Delegation observe in their remarks on the conditions of peace: "Only a return to the immutable principles of morality and civilization to sanctity of treaties would render it possible for mankind to continue to exist."

After four and a half years of war which was caused by the repudiation of these principles by Germany, the Allied and Associated Powers can only repeat the words pronounced by President Wilson, on September 27, 1918: "The reason why peace must be guaranteed is that there will be parties to the peace whose promises have proved untrustworthy."

**Treaty between the United States of America, the
British Empire, France, Italy, Japan and Poland,
signed at Versailles, June 28, 1919.**

[41E]

The United States of America, the British Empire, France, Italy and Japan,

The Principal Allied and Associated Powers,

on the one hand;

And Poland.

on the other hand;

Whereas the Allied and Associated Powers have by the success of their arms restored to the Polish nation the independence of which it had been unjustly deprived; and

Whereas by the proclamation of March 30, 1917, the Government of Russia assented to the re-establishment of an independent Polish State; and

Whereas the Polish State, which now in fact exercises sovereignty over those portions of the former Russian Empire which are inhabited by a majority of Poles, has already been recognized as a sovereign and independent State by the Principal Allied and Associated Powers; and

Whereas under the Treaty of Peace concluded with Germany by the Allied and Associated Powers, a Treaty of which Poland is a signatory, certain portions of the former German Empire will be incorporated in the territory of Poland; and

Whereas under the terms of the said Treaty of Peace, the boundaries of Poland not already laid down are to be subsequently determined by the Principal Allied and Associated Powers;

The United States of America, the British Empire, France, Italy and Japan, on the one hand, confirming their recognition of the Polish State, constituted within the said limits as a sovereign and independent member of the Family of Nations, and being anxious to ensure the execution of the provisions of Article 93 of the said Treaty of Peace with Germany;

Poland, on the other hand, desiring to conform her institutions to the principles of liberty and justice, and to give a sure guarantee to the inhabitants of the territory over which she has assumed sovereignty;

For this purpose the HIGH CONTRACTING PARTIES represented as follows:

The President of the United States of America, by:

The Honourable Woodrow WILSON, PRESIDENT OF THE UNITED STATES, acting in his own name and by his own proper authority;

The Honourable Robert LANSING, Secretary of State;

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The Honourable Henry WHITE, formerly Ambassador Extraordinary and Plenipotentiary of the United States at Rome and Paris;

The Honourable Edward M. HOUSE;

General Tasker H. BLISS, Military Representative of the United States on the Supreme War Council;

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions Beyond the Seas, Emperor of India, by:

The Right Honourable David LLOYD GEORGE, M.P., First Lord of His Treasury and Prime Minister;

The Right Honourable Andrew BONAR LAW, M.P., His Lord Privy Seal;

The Right Honourable Viscount MILNER, G.C.B., G.C.M.G., His Secretary of State for the Colonies;

The Right Honourable Arthur James BALFOUR, O.M., M.P., His Secretary of State for Foreign Affairs;

The Right Honourable George Nicoll BARNES, M.P., Minister without portfolio;
And

for the Dominion of Canada, by:

The Honourable Charles Joseph DOHERTY, Minister of Justice;

The Honourable Arthur Lewis SIFTON, Minister of Customs;

for the Commonwealth of Australia, by:

The Right Honourable William Morris HUGHES, Attorney General and Prime Minister;

The Right Honourable Sir Joseph COOK, G.C.M.G., Minister for the Navy;

for the Union of South Africa, by:

General the Right Honourable Louis BOTHA, Minister of Native Affairs and Prime Minister;

Lieutenant-General the Right Honourable Jan Christiaan SMUTS, K.C., Minister of Defence;

for the Dominion of New Zealand, by:

The Right Honourable William Ferguson MASSEY, Minister of Labour and Prime Minister;

for India, by:

The Right Honourable Edwin Samuel MONTAGU, M.P., His Secretary of State for India;

Major-General His Highness Maharja Sir Ganga Singh Bahadur, Maharja of BIKANER, G.C.S.I., G.C.I.E., G.C.V.O., K.C.B., A.D.C.;

The President of the French Republic, by:

Mr. Georges CLEMENCEAU, President of the Council, Minister of War;

Mr. Stephen PICHON, Minister of Foreign Affairs;

Mr. Louis-Lucien KLOTZ, Minister of Finance;

Mr. André TARDIEU, Commissary General for Franco-American Military Affairs;

Mr. Jules CAMBON, Ambassador of France.

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His Majesty the King of Italy, by:

Baron S. SONNINO, Deputy;

Marquis G. IMPERIALI, Senator, Ambassador of His Majesty the King of Italy at London;

Mr. S. CRESPI, Deputy;

His Majesty the Emperor of Japan, by:

Marquis SAÏONZI, formerly President of the Council of Ministers;

Baron MAKINO, formerly Minister of Foreign Affairs, Member of the Diplomatic Council;

Viscount CHINDA, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at London;

Mr. K. MATSUI, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at Paris;

Mr. H. IJUIN, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at Rome;

The President of the Polish Republic, by:

Mr. Ignace J. PADEREWSKI, President of the Council of Ministers, Minister of Foreign Affairs;

Mr. Roman DMÓWSKI, President of the Polish National Committee;

After having exchanged their full powers, found in good and due form, have agreed as follows:

CHAPTER I.

ARTICLE 1.

Poland undertakes that the stipulations contained in Articles 2 to 8 of this Chapter shall be recognized as fundamental laws, and that no law, regulation or official action shall conflict or interfere with these stipulations nor shall any law, regulation or official action prevail over them.

ARTICLE 2.

Poland undertakes to assure full and complete protection of life and liberty to all inhabitants of Poland without distinction of birth, nationality, language, race or religion.

All inhabitants of Poland shall be entitled to the free exercise, whether public or private, of any creed, religion or belief, whose practices are not inconsistent with public order or public morals.

ARTICLE 3.

Poland admits and declares to be Polish nationals *ipso facto* and without the requirement of any formality German, Austrian, Hungarian or Russian nationals habitually resident at the date of the coming into force of the present Treaty in territory which is or may be recognized as forming part of Poland, but subject to any provisions in the Treaties of Peace with Germany or Austria respectively relating to persons who became resident in such territory after a specified date.

Nevertheless, the persons referred to above who are over eighteen years of age will be entitled under the conditions contained in the said Treaties to opt for any other nationality which may be open to them. Option by a husband will cover his wife and option by parents will cover their children under eighteen years of age.

Persons who have exercised the above right to opt must, except where it is otherwise provided in the Treaty of Peace with Germany, transfer within the

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succeeding twelve months their place of residence to the State for which they have opted. They will be entitled to retain their immovable property in Polish territory. They may carry with them their movable property of every description. No export duties may be imposed upon them in connection with the removal of such property.

ARTICLE 4.

Poland admits and declares to be Polish nationals *ipso facto* and without the requirement of any formality persons of German, Austrian, Hungarian or Russian nationality who were born in the said territory of parents habitually resident there, even if at the date of the coming into force of the present Treaty they are not themselves habitually resident there.

Nevertheless, within two years after the coming into force of the present Treaty, these persons may make a declaration before the competent Polish authorities in the country in which they are resident, stating that they abandon Polish nationality, and they will then cease to be considered as Polish nationals. In this connection a declaration by a husband will cover his wife, and a declaration by parents will cover their children under eighteen years of age.

ARTICLE 5.

Poland undertakes to put no hindrance in the way of the exercise of the right which the persons concerned have, under the Treaties concluded or to be concluded by the Allied and Associated Powers with Germany, Austria, Hungary or Russia, to choose whether or not they will acquire Polish nationality.

ARTICLE 6.

All persons born in Polish territory who are not born nationals of another State shall *ipso facto* become Polish nationals.

ARTICLE 7.

All Polish nationals shall be equal before the law, and shall enjoy the same civil and political rights without distinction as to race, language or religion.

Differences of religion, creed or confession shall not prejudice any Polish national in matters relating to the enjoyment of civil or political rights, as for instance admission to public employments, functions and honours, or the exercise of professions and industries.

No restriction shall be imposed on the free use by any Polish national of any language in private intercourse, in commerce, in religion, in the press or in publications of any kind, or at public meetings.

Notwithstanding any establishment by the Polish Government of an official language, adequate facilities shall be given to Polish nationals of non-Polish speech for the use of their language, either orally or in writing, before the courts.

ARTICLE 8.

Polish nationals who belong to racial, religious or linguistic minorities shall enjoy the same treatment and security in law and in fact as the other Polish nationals. In particular they shall have an equal right to establish, manage and control at their own expense charitable, religious and social institutions, schools and other educational establishments, with the right to use their own language and to exercise their religion freely therein.

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ARTICLE 9.

Poland will provide in the public educational system in towns and districts in which a considerable proportion of Polish nationals of other than Polish speech are residents adequate facilities for ensuring that in the primary schools the instruction shall be given to the children of such Polish nationals through the medium of their own language. This provision shall not prevent the Polish Government from making the teaching of the Polish language obligatory in the said schools.

In towns and districts where there is a considerable proportion of Polish nationals belonging to racial, religious or linguistic minorities, these minorities shall be assured an equitable share in the enjoyment and application of the sums which may be provided out of public funds under the State, municipal or other budget, for educational, religious or charitable purposes.

The provisions of this Article shall apply to Polish citizens of German speech only in that part of Poland which was German territory on August 1, 1914.

ARTICLE 10.

Educational Committees appointed locally by the Jewish communities of Poland will, subject to the general control of the State, provide for the distribution of the proportional share of public funds allocated to Jewish schools in accordance with Article 9, and for the organisation and management of these schools.

The provisions of Article 9 concerning the use of languages in schools shall apply to these schools.

ARTICLE 11.

Jews shall not be compelled to perform any act which constitutes a violation of their Sabbath, nor shall they be placed under any disability by reason of their refusal to attend courts of law or to perform any legal business on their Sabbath. This provision however shall not exempt Jews from such obligations as shall be imposed upon all other Polish citizens for the necessary purposes of military service, national defence or the preservation of public order.

Poland declares her intention to refrain from ordering or permitting elections whether general or local, to be held on a Saturday, nor will registration for electoral or other purposes be compelled to be performed on a Saturday.

ARTICLE 12.

Poland agrees that the stipulations in the foregoing Articles, so far as they affect persons belonging to racial, religious or linguistic minorities constitute obligations of international concern and shall be placed under the guarantee of the League of Nations. They shall not be modified without the assent of a majority of the Council of the League of Nations. The United States, the British Empire, France, Italy and Japan hereby agree not to withhold their assent from any modification in these Articles which is in due form assented to by a majority of the Council of the League of Nations.

Poland agrees that any Member of the Council of the League of Nations shall have the right to bring to the attention of the Council any infraction, or any danger of infraction, of any of these obligations, and that the Council may thereupon take such action and give such direction as it may deem proper and effective in the circumstances.

Poland further agrees that any difference of opinion as to questions of law or fact arising out of these Articles between the Polish Government and any one of the Principal Allied and Associated Powers or any other Power, a Member of the Council of the League of Nations, shall be held to be a dispute of an international character under Article 14 of the Covenant of the League of Nations. The Polish Government hereby consents that any such dispute shall, if the other party thereto demands, be referred to the Permanent Court of International Justice. The decision of the Permanent Court shall be final and shall have the same force and effect as an award under Article 13 of the Covenant.

CHAPTER II.

ARTICLE 13.

Each of the Principal Allied and Associated Powers on the one part and Poland on the other shall be at liberty to appoint diplomatic representatives to reside in their respective capitals, as well as Consuls-General, Consuls, Vice-Consuls, and Consular agents to reside in the towns and ports of their respective territories.

Consuls-General, Consuls, Vice-Consuls and Consular agents, however, shall not enter upon their duties until they have been admitted in the usual manner by the Government in the territory of which they are stationed.

Consuls-General, Consuls, Vice-Consuls and Consular agents shall enjoy all the facilities, privileges, exemptions and immunities of every kind which are or shall be granted to consular officers of the most favoured nation.

ARTICLE 14.

Pending the establishment of an import tariff by the Polish Government, goods originating in the Allied and Associated States shall not be subject to any higher duties on importation into Poland than the most favourable rates of duty applicable to goods of the same kind under either the German, Austro-Hungarian or Russian Customs Tariffs on July 1, 1914.

ARTICLE 15.

Poland undertakes to make no treaty, convention or arrangement and to take no other action which will prevent her from joining in any general agreement for the equitable treatment of the commerce of other States that may be concluded under the auspices of the League of Nations within five years from the coming into force of the present Treaty.

Poland also undertakes to extend to all the Allied and Associated States any favours or privileges in customs matters which she may grant during the same period of five years to any State with which since August, 1914, the Allies have been at war, or to any State which may have concluded with Austria special customs arrangements as provided for in the Treaty of Peace to be concluded with Austria.

ARTICLE 16.

Pending the conclusion of the general agreement referred to above, Poland undertakes to treat on the same footing as national vessels or vessels of the most favoured nation the vessels of all the Allied and Associated States which accord similar treatment to Polish vessels.

By way of exception from this provision, the right of Poland or of any other Allied or Associated State to confine her maritime coasting trade to national vessels is expressly reserved.

ARTICLE 17.

Pending the conclusion under the auspices of the League of Nations of a general Convention to secure and maintain freedom of communications and of transit, Poland undertakes to accord freedom of transit to persons, goods, vessels, carriages, wagons and mails in transit to or from any Allied or Associated State over Polish territory including territorial waters, and to treat them at least as favourably as the persons, goods, vessels, carriages, wagons and mails respectively of Polish or of any other more favoured nationality, origin, importation or ownership, as regards facilities, charges, restrictions, and all other matters.

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All charges imposed in Poland on such traffic in transit shall be reasonable having regard to the conditions of the traffic. Goods in transit shall be exempt from all customs or other duties. Tariffs for transit across Poland and tariffs between Poland and any Allied or Associated Power involving through tickets or waybills shall be established at the request of that Allied or Associated Power.

Freedom of transit will extend to postal, telegraphic and telephonic services.

It is agreed that no Allied or Associated Power can claim the benefit of these provisions on behalf of any part of its territory in which reciprocal treatment is not accorded in respect of the same subject matter.

If within a period of five years from the coming into force of the present Treaty no general Convention as aforesaid shall have been concluded under the auspices of the League of Nations, Poland shall be at liberty at any time thereafter to give twelve months notice to the Secretary General of the League of Nations to terminate the obligations of this Article.

ARTICLE 18.

Pending the conclusion of a general Convention on the International Régime of waterways, Poland undertakes to apply to the river system of the Vistula (including the Bug and the Narev) the régime applicable to International Waterways set out in Articles 332 to 337 of the Treaty of Peace with Germany.

ARTICLE 19.

Poland undertakes to adhere within twelve months of the coming into force of the present Treaty to the International Conventions specified in Annex I.

Poland undertakes to adhere to any new convention, concluded with the approval of the Council of the League of Nations within five years of the coming into force of the present Treaty, to replace any of the International instruments specified in Annex I.

The Polish Government undertakes within twelve months to notify the Secretary General of the League of Nations whether or not Poland desires to adhere to either or both of the International Conventions specified in Annex II.

Until Poland has adhered to the two Conventions last specified in Annex I, she agrees, on condition of reciprocity, to protect by effective measures the industrial, literary and artistic property of nationals of the Allied and Associated States. In the case of any Allied or Associated State not adhering to the said Conventions Poland agrees to continue to afford such effective protection on the same conditions until the conclusion of a special bi-lateral treaty or agreement for that purpose with such Allied or Associated State.

Pending her adhesion to the other Conventions specified in Annex I, Poland will secure to the nationals of the Allied and Associated Powers the advantages to which they would be entitled under the said Conventions.

Poland further agrees, on condition of reciprocity, to recognise and protect all rights in any industrial, literary or artistic property belonging to the nationals of the Allied and Associated States in force, or which but for the war would have been in force, in any part of her territories before transfer to Poland. For such purpose she will accord the extensions of time agreed to in Articles 307 and 308 of the Treaty with Germany.

ANNEX I.

TELEGRAPHIC AND RADIO-TELEGRAPH CONVENTIONS.

International Telegraphic Convention signed at St. Petersburg, July 10/22, 1875.

Regulations and Tariffs drawn up by the International Telegraph Conference, signed at Lisbon, June 11, 1908.

International Radio-Telegraph Convention, July 5, 1912.

RAILWAY CONVENTIONS.

Conventions and arrangements signed at Berne on October 14, 1890, September 20, 1893, July 16, 1895, June 16, 1898, and September 19, 1906, and the current supplementary provisions made under those Conventions.

Agreement of May 15, 1886, regarding the sealing of railway trucks subject to customs inspection, and Protocol of May 18, 1907.

Agreement of May 15, 1886, regarding the technical standardisation of railways, as modified on May 18, 1907.

SANITARY CONVENTION. -

Convention of December 3, 1903.

OTHER CONVENTIONS.

Convention of September 26, 1906, for the suppression of night work for women.

Convention of September 26, 1906, for the suppression of the use of white phosphorus in the manufacture of matches.

Convention of May 18, 1904 and May 4, 1910, regarding the suppression of the White Slave Traffic.

Convention of May 4, 1910, regarding the suppression of obscene publications.

International Convention of Paris of March 20, 1883, as revised at Washington in 1911, for the protection of industrial property.

International Convention of Berne of September 9, 1886, revised at Berlin on November 13, 1908, and completed by the Additional Protocol signed at Berne on March 20, 1914, for the Protection of Literary and Artistic Works.

ANNEX II.

Agreement of Madrid of April 14, 1891, for the Prevention of False Indications of origin on goods, revised at Washington in 1911, and

Agreement of Madrid of 14 April, 1891, for the international registration of trade marks, revised at Washington in 1911.

ARTICLE 20.

All rights and privileges accorded by the foregoing Articles to the Allied and Associated States shall be accorded equally to all State members of the League of Nations.

ARTICLE 21.

Poland agrees to assume responsibility for such proportion of the Russian public debt and other Russian public liabilities of any kind as may be assigned to her under

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a special convention between the Principal Allied and Associated Powers on the one hand and Poland on the other, to be prepared by a Commission appointed by the above States. In the event of the Commission not arriving at an agreement the point in issue shall be referred for immediate arbitration to the League of Nations.

The present Treaty, of which the French and English texts are both authentic, shall be ratified. It shall come into force at the same time as the Treaty of Peace with Germany.

The deposit of ratifications shall be made at Paris.

Powers of which the seat of the Government is outside Europe will be entitled merely to inform the Government of the French Republic through their diplomatic representative at Paris that their ratification has been given; in that case they must transmit the instrument of ratification as soon as possible.

A procès-verbal of the deposit of ratifications will be drawn up.

The French Government will transmit to all the signatory Powers a certified copy of the procès-verbal of the deposit of ratifications.

IN FAITH WHEREOF the above-named Plenipotentiaries have signed the present Treaty.

Done at Versailles, the twenty-eighth day of June, one thousand nine hundred and nineteen, in a single copy which will remain deposited in the archives of the French Republic, and of which authenticated copies will be transmitted to each of the signatory Powers.

(L. S.) WOODROW WILSON.

(L. S.) ROBERT LANSING.

(L. S.) HENRY WHITE.

(L. S.) E. M. HOUSE.

(L. S.) TASKER H. BLISS.

(L. S.) D. LLOYD GEORGE.

(L. S.) A. BONAR LAW.

(L. S.) MILNER.

(L. S.) ARTHUR JAMES BALFOUR.

(L. S.) GEORGE N. BARNES.

(L. S.) CHAS. J. DOHERTY.

(L. S.) ARTHUR L. SIFTON.

(L. S.) W. M. HUGHES.

(L. S.) JOSEPH COOK.

(L. S.) LOUIS BOTHA.

(L. S.) J. C. SMUTS.

(L. S.)

(L. S.) ED. S. MONTAGU.

(L. S.) GANGA SINGH,

MAHARAJA DE BIKANER.

(L. S.) G. CLEMENCEAU.

(L. S.) S. POINCARÉ.

(L. S.) L.-L. KLOTZ.

(L. S.) ANDRÉ TARDIEU.

(L. S.) JULES CAMBON.

(L. S.) SIDNEY SONNINO.

(L. S.) IMPERIALI.

(L. S.) SILVO CRESPI.

(L. S.) SAÏONZI.

(L. S.) N. MAKINO.

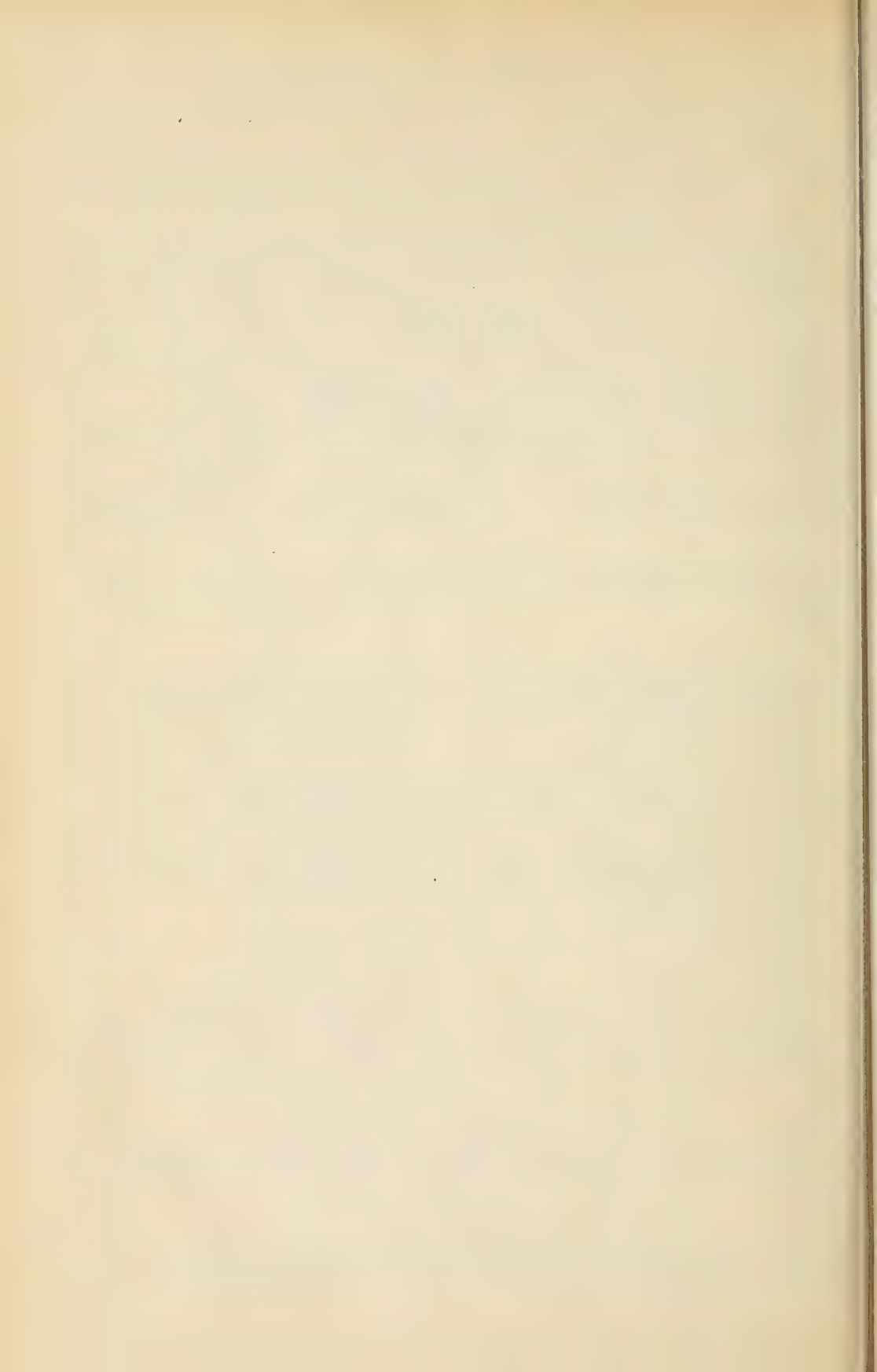
(L. S.) H. CHINDA.

(L. S.) K. MATSUI.

(L. S.) H. IJUIN.

(L. S.) I. J. PADEREWSKI.

(L. S.) ROMAN DMOWSKI.



THE COVENANT
OF THE
LEAGUE OF NATIONS

WITH A
COMMENTARY THEREON

PRINTED BY ORDER OF PARLIAMENT.



OTTAWA
J. DE LABROQUERIE TACHÉ
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1919

NOTE.

The Covenant of the League of Nations forms Part I of the Treaty of Peace with Germany, signed at Versailles on June 28th, 1919, and of the Treaty of Peace with Austria, signed at Saint Germain on September 10th, 1919. It is provided that these Treaties shall come into force as soon as they have been ratified by Germany and Austria respectively, and by three of the Principal Allied and Associated Powers. The Principal Allied and Associated Powers comprise the United States of America, the British Empire, France, Italy, and Japan.

The "Commentary on the League of Nations Covenant" included in this print was issued under the authority of the representatives of the British Empire on the League of Nations Commission of the Peace Conference. This Commission was responsible for the drafting of the Covenant. The British Empire representatives were the Right Honourable Lord Robert Cecil, K.C., M.P., and Lieutenant General the Right Honourable Ian Christiaan Smuts, K.C.

The Covenant of the League of Nations

The High Contracting Parties, in order to promote international co-operation and to achieve international peace and security by the acceptance of obligations not to resort to war, by the prescription of open, just and honourable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among Governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another. agree to this Covenant of the League of Nations.

ARTICLE 1.

The original Members of the League of Nations shall be those of the Signatories which are named in the Annex to this Covenant and also such of those other States named in the Annex as shall accede without reservation to this Covenant. Such accession shall be effected by a Declaration deposited with the Secretariat within two months of the coming into force of the Covenant. Notice thereof shall be sent to all other Members of the League.

Any fully self-governing State, Dominion or Colony not named in the Annex may become a Member of the League if its admission is agreed to by two-thirds of the Assembly, provided that it shall give effective guarantees of its sincere intention to observe its international obligations, and shall accept such regulations as may be prescribed by the League in regard to its military, naval and air forces and armaments.

Any Member of the League may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations and all its obligations under this Covenant shall have been fulfilled at the time of its withdrawal.

ARTICLE 2.

The action of the League under this Covenant shall be effected through the instrumentality of an Assembly and of a Council, with a permanent Secretariat.

ARTICLE 3.

The Assembly shall consist of Representatives of the Members of the League.

The Assembly shall meet at stated intervals and from time to time as occasion may require, at the Seat of the League, or at such other place as may be decided upon.

The Assembly may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the World.

At meetings of the Assembly each Member of the League shall have one vote, and may have not more than three Representatives.

ARTICLE 4.

The Council shall consist of Representatives of the Principal Allied and Associated Powers, together with Representatives of four other Members of the League. These four Members of the League shall be selected by the Assembly from time to time in its discretion. Until the appointment of the Representatives of the four Members of the League first selected by the Assembly, Representatives of Belgium, Brazil, Spain and Greece shall be members of the Council.

With the approval of the majority of the Assembly, the Council may name additional Members of the League whose Representatives shall always be members of the Council; the Council with like approval may increase the number of Members of the League to be selected by the Assembly for representation on the Council.

The Council shall meet from time to time as occasion may require, and at least once a year, at the Seat of the League, or at such other place as may be decided upon.

The Council may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

Any Member of the League not represented on the Council shall be invited to send a Representative to sit as a member at any meeting of the Council during the consideration of matters specially affecting the interests of that Member of the League.

At meetings of the Council each Member of the League represented on the Council shall have one vote, and may have not more than one Representative.

ARTICLE 5.

Except where otherwise expressly provided in this Covenant or by the terms of the present Treaty, decisions at any meeting of the Assembly or of the Council shall require the agreement of all the Members of the League represented at the meeting.

All matters of procedure at meetings of the Assembly or of the Council, including the appointment of Committees to investigate particular matters, shall be regulated by the Assembly or by the Council and may be decided by a majority of the Members of the League represented at the meeting.

The first meeting of the Assembly and the first meeting of the Council shall be summoned by the President of the United States of America.

ARTICLE 6.

The permanent Secretariat shall be established at the Seat of the League. The Secretariat shall comprise a Secretary General and such secretaries and staff as may be required.

The first Secretary General shall be the person named in the Annex; thereafter the Secretary General shall be appointed by the Council with the approval of the majority of the Assembly.

The secretaries and staff of the Secretariat shall be appointed by the Secretary General with the approval of the Council.

The Secretary General shall act in that capacity at all meetings of the Assembly and of the Council.

The expenses of the Secretariat shall be borne by the Members of the League in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union.

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ARTICLE 7.

The Seat of the League is established at Geneva.

The Council may at any time decide that the Seat of the League shall be established elsewhere.

All positions under or in connection with the League, including the Secretariat, shall be open equally to men and women.

Representatives of the Members of the League and officials of the League when engaged on the business of the League shall enjoy diplomatic privileges and immunities.

The buildings and other property occupied by the League or its officials or by Representatives attending its meetings shall be inviolable.

ARTICLE 8.

The Members of the League recognize that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

The Council, taking account of the geographical situation and circumstances of each State, shall formulate plans for such reduction for the consideration and action of the several Governments.

Such plans shall be subject to reconsideration and revision at least every ten years.

After these plans shall have been adopted by the several Governments, the limits of armaments therein fixed shall not be exceeded without the concurrence of the Council.

The Members of the League agree that the manufacture by private enterprise of munitions and implements of war is open to grave objections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those Members of the League which are not able to manufacture the munitions and implements of war necessary for their safety.

The Members of the League undertake to interchange full and frank information as to the scale of their armaments, their military and naval programmes and the condition of such of their industries as are adaptable to war-like purposes.

ARTICLE 9.

A permanent Commission shall be constituted to advise the Council on the execution of the provisions of Articles 1 and 8 and on military and naval questions generally.

ARTICLE 10.

The Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression, or in case of any threat or danger of such aggression, the Council shall advise upon the means by which this obligation shall be fulfilled.

ARTICLE 11.

Any war or threat of war, whether immediately affecting any of the Members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise

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and effectual to safeguard the peace of nations. In case any such emergency should arise the Secretary General shall on the request of any Member of the League forthwith summon a meeting of the Council.

It is also declared to be the friendly right of each Member of the League to bring to the attention of the Assembly or of the Council, any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends.

ARTICLE 12.

The Members of the League agree that if there should arise between them any dispute likely to lead to a rupture, they will submit the matter either to arbitration or to inquiry by the Council, and they agree in no case to resort to war until three months after the award by the arbitrators or the report by the Council.

In any case under this Article the award of the arbitrators shall be made within a reasonable time, and the report of the Council shall be made within six months after the submission of the dispute.

ARTICLE 13.

The Members of the League agree that whenever any dispute shall arise between them which they recognize to be suitable for submission to arbitration and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject matter to arbitration.

Disputes as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact which if established would constitute a breach of any international obligation, or as to the extent and nature of the reparation to be made for any such breach, are declared to be among those which are generally suitable for submission to arbitration.

For the consideration of any such dispute the court of arbitration to which the case is referred shall be the court agreed on by the parties to the dispute or stipulated in any convention existing between them.

The Members of the League agree that they will carry out in full good faith any award that may be rendered, and that they will not resort to war against a Member of the League which complies therewith. In the event of any failure to carry out such an award, the Council shall propose what steps should be taken to give effect thereto.

ARTICLE 14.

The Council shall formulate and submit to the Members of the League for adoption plans for the establishment of a Permanent Court of International Justice. The Court shall be competent to hear and determine any dispute of an international character which the parties thereto submit to it. The Court may also give an advisory opinion upon any dispute or question referred to it by the Council or by the Assembly.

ARTICLE 15.

If there should arise between Members of the League any dispute likely to lead to a rupture, which is not submitted to arbitration in accordance with Article 13, the Members of the League agree that they will submit the matter to the Council. Any party to the dispute may effect such submission by giving notice of the existence of the dispute to the Secretary General, who will make all necessary arrangements for a full investigation and consideration thereof.

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For this purpose the parties to the dispute will communicate to the Secretary General, as promptly as possible, statements of their case with all the relevant facts and papers, and the Council may forthwith direct the publication thereof.

The Council shall endeavour to effect a settlement of the dispute, and if such efforts are successful, a statement shall be made public giving such facts and explanations regarding the dispute and the terms of settlement thereof as the Council may deem appropriate.

If the dispute is not thus settled, the Council either unanimously or by a majority vote shall make and publish a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard thereto.

Any Member of the League represented on the Council may make public a statement of the facts of the dispute and of its conclusions regarding the same.

If a report by the Council is unanimously agreed to by the members thereof other than the Representatives of one or more of the parties to the dispute, the Members of the League agree that they will not go to war with any party to the dispute which complies with the recommendations of the report.

If the Council fails to reach a report which is unanimously agreed to by the members thereof, other than the representatives of one or more of the parties to the dispute, the Members of the League reserve to themselves the right to take such action as they shall consider necessary for the maintenance of right and justice.

If the dispute between the parties is claimed by one of them, and is found by the Council, to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the Council shall so report, and shall make no recommendation as to its settlement.

The Council may in any case under this Article refer the dispute to the Assembly. The dispute shall be so referred at the request of either party to the dispute, provided that such request be made within fourteen days after the submission of the dispute to the Council.

In any case referred to the Assembly, all the provisions of this Article and of Article 12 relating to the action and powers of the Council shall apply to the action and powers of the Assembly, provided that a report made by the Assembly, if concurred in by the Representatives of those Members of the League represented on the Council and of a majority of the other Members of the League, exclusive in each case of the Representatives of the parties to the dispute, shall have the same force as a report by the Council concurred in by all the members thereof other than the Representatives of one or more of the parties to the dispute.

ARTICLE 16.

Should any member of the League resort to war in disregard of its covenants under Articles 12, 13, or 15, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State, and the prevention of all financial, commercial, or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a Member of the League or not.

It shall be the duty of the Council in such case to recommend to the several Governments concerned what effective military, naval or air force the Members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

The Members of the League agree, further, that they will mutually support one another in the financial and economic measures which are taken under this Article, in order to minimize the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking State, and that they will take the necessary steps to afford passage through their territory to the forces of any of the Members of the League which are co-operating to protect the covenants of the League.

Any Member of the League which has violated any covenant of the League may be declared to be no longer a Member of the League by a vote of the Council concurred in by the Representatives of all the other Members of the League represented thereon.

ARTICLE 17.

In the event of a dispute between a Member of the League and a State which is not a Member of the League, or between States not Members of the League, the State or States not Members of the League shall be invited to accept the obligations of membership in the League for the purposes of such dispute, upon such conditions as the Council may deem just. If such invitation is accepted, the provisions of Articles 12 to 16 inclusive shall be applied with such modifications as may be deemed necessary by the Council.

Upon such invitation being given, the Council shall immediately institute an inquiry into the circumstances of the dispute and recommend such action as may seem best and most effectual in the circumstances.

If a State so invited shall refuse to accept the obligations of membership in the League for the purposes of such dispute, and shall resort to war against a Member of the League, the provisions of Article 16 shall be applicable as against the State taking such action.

If both parties to the dispute when so invited refuse to accept the obligations of membership in the League for the purposes of such dispute, the Council may take such measures and make such recommendations as will prevent hostilities and will result in the settlement of the dispute.

ARTICLE 18.

Every treaty or international engagement entered into hereafter by any Member of the League shall be forthwith registered with the Secretariat and shall as soon as possible be published by it. No such treaty or international engagement shall be binding until so registered.

ARTICLE 19.

The Assembly may from time to time advise the reconsideration by Members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world.

ARTICLE 20.

The Members of the League severally agree that this Covenant is accepted as abrogating all obligations or understandings *inter se* which are inconsistent with the terms thereof, and solemnly undertake that they will not hereafter enter into any engagements inconsistent with the terms thereof.

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In cases any Member of the League shall, before becoming a Member of the League, have undertaken any obligations inconsistent with the terms of this Covenant, it shall be the duty of such Member to take immediate steps to procure its release from such obligations.

ARTICLE 21.

Nothing in this Covenant shall be deemed to affect the validity of international engagements such as treaties of arbitration or regional understandings like the Monroe Doctrine for securing the maintenance of peace.

ARTICLE 22.

To those colonies and territories which as a consequence of the late war have ceased to be under the sovereignty of the States which formerly governed them and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and development of such peoples form a sacred trust of civilization and that securities for the performance of this trust should be embodied in this Covenant.

The best method of giving practical effect to this principle is that the tutelage of such peoples should be entrusted to advanced nations who by reason of their resources, their experience or their geographical position, can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League.

The characters of the mandate must differ according to the stage of the development of the people, the geographical situation of the territory, its economic conditions and other similar circumstances.

Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the Mandatory.

Other peoples, especially those of Central Africa, are at such a stage that the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience and religion, subject only to the maintenance of public order and morals, the prohibition of abuses such as the slave trade, the arms traffic and the liquor traffic, and the prevention of the establishment of fortifications or military and naval bases and of military training of the natives for other than police purposes and the defence of territory, and will also secure equal opportunities for the trade and commerce of other Members of the League.

There are territories, such as South-West Africa and certain of the South Pacific Islands, which, owing to the sparseness of their population, or their small size, or their remoteness from the centres of civilization, or their geographical contiguity to the territory of the Mandatory, and other circumstances, can be best administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards above mentioned in the interests of the indigenous population.

In every case of mandate, the Mandatory shall render to the Council an annual report in reference to the territory committed to its charge.

The degree of authority, control, or administration to be exercised by the Mandatory shall, if not previously agreed upon by the Members of the League, be explicitly defined in each case by the Council.

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A permanent Commission shall be constituted to receive and examine the annual reports of the Mandatories and to advise the Council on all matters relating to the observance of the mandates.

ARTICLE 23.

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League—

- (a) will endeavor to secure and maintain fair and humane conditions of labour for men, women and children both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations;
- (b) undertake to secure just treatment of the native inhabitants of territories under their control;
- (c) will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs;
- (d) will entrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest;
- (e) will make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League. In this connection, the special necessities of the regions devastated during the war of 1914-1918 shall be borne in mind;
- (f) will endeavour to take steps in matters of international concern for the prevention and control of disease.

ARTICLE 24.

There shall be placed under the direction of the League all international bureaux already established by general treaties if the parties to such treaties consent. All such international bureaux and all commissions for the regulation of matters of international interest hereafter constituted shall be placed under the direction of the League.

In all matters of international interest which are regulated by general conventions but which are not placed under the control of international bureaux or commissions, the Secretariat of the League shall, subject to the consent of the Council and if desired by the parties, collect and distribute all relevant information and shall render any other assistance which may be necessary or desirable.

The Council may include as part of the expenses of the Secretariat, the expenses of any bureau or commission which is placed under the direction of the League.

ARTICLE 25.

The Members of the League agree to encourage and promote the establishment and co-operation of duly authorized voluntary national Red Cross organizations having as purposes the improvement of health, the prevention of disease and the mitigation of suffering throughout the world.

ARTICLE 26.

Amendments to this Covenant will take effect when ratified by the Members of the League whose Representatives compose the Council and by a majority of the Members of the League whose Representatives compose the Assembly.

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No such amendment shall bind any Member of the League which signifies its dissent therefrom, but in that case it shall cease to be a Member of the League.

ANNEX.

I. ORIGINAL MEMBERS OF THE LEAGUE OF NATIONS.

Signatories of the Treaty of Peace.

United States of America.	Cuba.	Liberia.
Belgium.	Czecho Slovakia	Nicaragua.
Bolivia.	Ecuador.	Panama.
Brazil.	France.	Peru.
British Empire.	Greece.	Poland.
Canada.	Guatemala.	Portugal.
Australia.	Haiti.	Roumania.
South Africa.	Hedjaz.	Serbia.
New Zealand.	Honduras.	Siam.
India.	Italy.	Techecko-Slovakia.
China.	Japan.	Uruguay.

States Invited to Accede to the Covenant.

Argentine Republic.	Norway.	Sweden.
Chili.	Paraguay.	Switzerland.
Colombia.	Persia.	Venezuela.
Denmark.	Salvador.	
Netherlands.	Spain.	

II. First Secretary General of the League of Nations.

The Honourable Sir James Eric Drummond, K.C.M.G., C.B.

COMMENTARY ON THE LEAGUE OF NATIONS COVENANT.

The first draft of the Covenant of the League of Nations was published on February 14, 1919; in the weeks following its publication the League of Nations Commission had the benefit of an exchange of views with the representatives of thirteen neutral Governments, and also of much criticism on both sides of the Atlantic. The Covenant was subjected to careful re-examination and a large number of amendments were adopted. In its revised form it was unanimously accepted by the representatives of the Allied and Associated Powers in Plenary Conference at Paris on April 28, 1919.

The document that has emerged from these discussions is not the Constitution of a super-State, but, as its title explains, a solemn agreement between sovereign States, which consent to limit their complete freedom of action on certain points for the greater good of themselves and the world at large. Recognizing that one generation cannot hope to bind its successors by written words, the Commission has worked throughout on the assumption that the League must continue to depend on the free consent, in the last resort, of its component States; this assumption is evident in nearly every article of the Covenant, of which the ultimate and most effective sanction must be the public opinion of the civilized world. If the nations of the future are in the main selfish, grasping and warlike, no instrument or machinery will restrain them. It is only possible to establish an organization which may make peaceful co-operation easy and hence customary, and to trust in the influence of custom to mould opinion.

But while acceptance of the political facts of the present has been one of the principles on which the Commission has worked, it has sought to create a framework which should make possible and encourage an indefinite development in accordance with the ideas of the future. If it has been chary of prescribing what the League shall do, it has been no less chary of prescribing what it shall not do. A number of amendments laying down the methods by which the League should work, or the action it should take in certain events, and tending to greater precision generally, have been deliberately rejected, not because the Commission was not in sympathy with the proposals, but because it was thought better to leave the hands of the statesmen of the future as free as possible, and to allow the League, as a living organism, to discover its own best lines of development.

THE MEMBERS OF THE LEAGUE.

Article I contains the conditions governing admission to the League, and withdrawal from it. On the understanding that the Covenant is to form part of the Treaty of Peace, the article has been so worded as to enable the enemy Powers to agree to the constitution of the League, without at once becoming members of it. It is hoped that the original Members of the League will consist of the thirty-two Allied and Associated Powers signatories of the Treaty of Peace, and of thirteen neutral States.

It is to be noted that original Members must join without reservation, and must therefore all accept the same obligations.

The last paragraph is an important affirmation of the principle of national sovereignty, while providing that no State shall be able to withdraw simply in order to escape the consequences of having violated its engagements. It is believed that the concession of the right of withdrawal will, in fact, remove all likelihood of a wish for it, by freeing States from any sense of constraint, and so tending to their more whole-hearted acceptance of membership.

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THE ORGANS OF THE LEAGUE.

Articles II—VII describe the constitutional organs of the League.

The Assembly, which will consist of the official representatives of all the Members of the League, including the British Dominions and India, is the Conference of States provided for in nearly all schemes of international organization, whether or not these also include a body of popular representatives. It is left to the several States to decide how their respective delegations shall be composed; the members need not all be spokesmen of their Governments.

The Assembly is competent to discuss all matters concerning the League, and it is presumably through the Assembly that the assent of the Governments of the world will be given to alterations and improvements in international law (see Article XIX), and to the many conventions that will be required for joint international action.

Its special functions include the selection of the four minor Powers to be temporarily represented on the Council, the approval of the appointment of the Secretary-General, and the admission (by a two-thirds majority) of new members.

Decisions of the Assembly, except in certain specified cases, must be unanimous. At the present stage of national feeling, sovereign States will not consent to be bound by legislation voted by a majority, even an overwhelming majority, of their fellows. But if their sovereignty is respected in theory, it is unlikely that they will permanently withstand a strong consensus of opinion, except in matters which they consider vital.

The Assembly is the supreme organ of the League of Nations, but a body of nearly 150 members, whose decisions require the unanimous consent of some 50 States, is plainly not a practical one for the ordinary purposes of international co-operation, and still less for dealing with emergencies. A much smaller body is required, and, if it is to exercise real authority, it must be one which represents the actual distribution of the organized political power of the world.

Such a body is found in the Council, the central organ of the League, and a political instrument endowed with greater authority than any the world has hitherto seen. In form its decisions are only recommendations, but when those who recommend include the political chiefs of all the Great Powers and of four other Powers selected by the States of the world in assembly, their unanimous recommendations are likely to be irresistible.

The mere fact that these national leaders, in touch with the political situation in their respective countries, are to meet once a year, at least, in personal contact for an exchange of views, is a real advance of immense importance in international relations. Moreover, there is nothing in the Covenant to prevent their places being taken, in the intervals between the regular meetings, by representatives permanently resident at the Seat of the League, who would tend to create a common point of view, and could consult and act together in an emergency. The pressure of important matters requiring decision is likely to make some such permanent body necessary, for the next few years at least.

The fact that for the decisions of the Council, as of the Assembly, unanimity is ordinarily required, is not likely to be a serious obstacle in practice. Granted the desire to agree, which the conception of the League demands, it is believed that agreement will be reached, or at least that the minority will acquiesce. There would be little practical advantage, and a good deal of danger, in allowing the majority of the Council to vote down one of the Great Powers. An important exception to the rule of unanimity is made by the clause in Article XV providing that, in the case of disputes submitted to the Council, the consent of the parties is not required to make its recommendations valid.

The second paragraph of Article IV allows for the admission of Germany and Russia to the Council when they have established themselves as Great Powers that can be trusted to honour their obligations, and may also encourage small Powers to federate or otherwise group themselves for joint permanent representation on the Council. Provision is made for securing that such increase in the permanent membership of the Council shall not swamp the representatives of the small Powers, but no fixed proportion between the numbers of the Powers in each category is laid down.

The interests of the small Powers are further safeguarded by the fifth paragraph of Article IV. Seeing that decisions of the Council must be unanimous, the right to sit "as a member" gives the State concerned a right of veto in all matters specially interesting it, except in the settlement of disputes to which it is a party. The objection that this provision will paralyse the efforts of the Council does not seem valid, as it is most likely that the veto would be exercised except in extremely vital matters.

The relations between the Assembly and the Council are purposely left undefined, as it is held undesirable to limit the competence of either. Cases will arise when a meeting of the Assembly would be inconvenient, and the Council should not therefore be bound to wait on its approval. Apart from the probability that the representatives of States on the Council will also sit in the Assembly, a link between the two bodies is supplied by the Permanent Secretariat, or new international Civil Service.

This organization has immense possibilities of usefulness, and a very wide field will be open for the energy and initiative of the first Secretary-General. One of the most important of his duties will be the collection, sifting, and distribution of information from all parts of the world. A reliable supply of facts and statistics will in itself be a powerful aid to peace. Nor can the value be exaggerated of the continuous collaboration of experts and officials in matters tending to emphasise the unity, rather than the diversity of national interests.

THE PREVENTION OF WAR.

Articles VIII-XVII, forming the central and principal portion of the Covenant, contain the provisions designed to secure international confidence and the avoidance of war, and the obligations which the members of the League accept to this end. They comprise:—

- (1.) Limitation of armaments.
- (2.) A mutual guarantee of territory and independence.
- (3.) An admission that any circumstance which threatens international peace is an international interest.
- (4.) An agreement not to go to war till a peaceful settlement of a dispute has been tried.
- (5.) Machinery for securing a peaceful settlement, with provision for publicity.
- (6.) The sanctions to be employed to punish a breach of the agreement in (4).
- (7.) Similar provisions for settling disputes where States not members of the League are concerned.

All these provisions are new, and together they mark an enormously important advance in international relations.

Article VIII makes plain that there is to be no dictation by the Council or anyone else as to the size of national forces. The Council is merely to formulate plans, which the Governments are free to accept or reject. Once accepted, the members agree not to exceed them. The formulation and acceptance of

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such plans may be expected to take shape in a general Disarmament Convention, supplementary to the Covenant.

The interchange of information stipulated for in the last paragraph of the Article will, no doubt, be effected through the Commission mentioned in Article IX. The suggestion that this Commission might be given a general power of inspection and supervision, in order to ensure the observance of Article VIII, was rejected for several reasons. In the first place, such a power would not be tolerated by many national States at the present day, but would cause friction and hostility to the idea of the League; nor, in fact, is it in harmony with the assumption of mutual good faith on which the League is founded, seeing that the members agree to exchange full and frank information; nor, finally, would it really be of practical use. Preparations for war on a large scale cannot be concealed, while no inspection could hope to discover such really important secrets as new gases and explosives and other inventions of detail. The experience of our own Factory Acts shows what an army of officials is required to make inspection efficient, and how much may escape observation even then. In any case, the League would certainly receive no better information on such points of detail from a Commission than that obtained through their ordinary intelligence services by the several States.

Nor can the Commission fill the role of an International General Staff. The function of a General Staff is preparation for war, and the latter requires the envisagement of a definite enemy. It would plainly be impossible for British officers to take part in concerting plans, however hypothetical, against their own country, with any semblance of reality; and all the members of a staff must work together with complete confidence. It is further evident that no State would communicate to the nationals of its potential enemies the information as to its own strategic plans necessary for a concerted scheme of defence. The most that can be done in this direction by the Commission is to collect non-confidential information of military value, and possibly to work out certain transit questions of a special character.

In Article X the word "external" shows that the League cannot be used as a Holy Alliance to suppress national or other movements within the boundaries of the Member States, but only to prevent forcible annexation from without.

It is important that this article should be read with Articles XI and XIX, which make it plain that the Covenant is not intended to stamp the new territorial settlement as sacred and unalterable for all time, but, on the contrary, to provide machinery for the progressive regulation of international affairs in accordance with the needs of the future. The absence of such machinery, and the consequent survival of treaties long after they had become out of date, led to many of the quarrels of the past; so that these articles may be said to inaugurate a new international order, which should eliminate, so far as possible, one of the principal causes of war.

Articles XII-XVI contain the machinery for the peaceful settlement of disputes, and the requisite obligations and sanctions, the whole hinging on the cardinal agreement that a State which goes to war without submitting its ground of quarrel to arbitrators or to the Council, or without waiting till three months after the award of the former or the recommendation of the latter, or which goes to war in defiance of such award or recommendation (if the latter is agreed to by all members of the Council not parties to the dispute), thereby commits an act of war against all the other members of the League, which will immediately break off all relations with it and resort, if necessary, to armed force.

The result is that private war is only contemplated as possible in cases when the Council fails to make a unanimous report, or when (the dispute

having been referred to the Assembly) there is lacking the requisite agreement between all the Members of the Council and a majority of the other States. In the event of a State failing to carry out the terms of an arbitral award, without actually resorting to war, it is left to the Council to consider what steps should be taken to give effect to the award; no such provision is made in the case of failure to carry out a unanimous recommendation by the Council, but it may be presumed that the latter would bring pressure of some kind to bear.

In this, as in other cases, not the least important part of the pressure will be supplied by the publicity stipulated for in the procedure of settlement. The obscure issues from which international quarrels arise will be dragged out into the light of day, and the creation of an informed public opinion made possible.

Article XIII, while not admitting the principle of compulsory arbitration in any class of disputes, to some extent recognizes the distinction evolved in recent years between justiciable and non-justiciable causes, by declaring that in certain large classes of disputes recourse to arbitration is *prima facie* desirable.

The Permanent Court of Justice, to be set up under Article XIV, is essential for any legal progress in international law. As things now stand, the political rather than the judicial aspect of the settlement of disputes is prominent in the Covenant, but "political" settlements can never be entirely satisfactory or just. Ultimately, and in the long run, the only alternative to war is law, and for the enthronement of law there is required such a continuous development of international jurisprudence, at present in its infancy, as can only be supplied by the progressive judgments of a Permanent Court working out its own traditions. Isolated instances of arbitration, however successful, can never result to the same extent in establishing the reign of law.

Under Article XV a dispute referred to the Council can be dealt with by it in several ways:—

- (1) The Council can keep the matter in its own hands, as it is certain to do with any essentially political question in which a powerful State feels itself closely interested.
- (3) It can submit any dispute of a legal nature for the opinion of the Permanent Court, though in this case the finding of the Court will have no force till endorsed by the Council.
- (3) While keeping the matter in its own hands, the Council can refer single points for judicial opinion.
- (4) There is nothing to prevent the Council from referring any matter to a committee, or to prevent such a committee from being a standing body. An opening is left, therefore, for the reference of suitable issues to such non-political bodies as the "Commissions of Conciliation" which are desired in many quarters. The reports of such committees would of course require the approval of the Council to give them authority, but the Covenant leaves wide room for development in this direction.
- (5) The Council may at any time refer a dispute to the Assembly. The procedure suggested under (2) (3) and (4) will then be open to the Assembly.

It has been already pointed out that, in the settlement of disputes under this article, the consent of the parties themselves is not necessary to give validity to the recommendations of the Council. This important provision removes any inconvenience that might arise in this connection from the right (see Article IV) of every Power to sit as member of the Council during the discussion of matters specially affecting it. We may expect that any Power claiming this right in the case of a dispute will be given the option of declaring itself a party to the dispute or not. If it declares itself a party, it will lose

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its right of veto; if not, it will be taken to disinterest itself in the question, and will not be entitled to sit on the Council.

The sanctions of Article XVI, with the exception of the last paragraph, apply only to breaches of the Covenant involving a resort to war. In the first instance, it is left to individual States to decide whether or not such a breach has occurred and an act of war against the League been thereby committed. To wait for the pronouncement of a Court of Justice or even of the Council would mean delay, and delay at this crisis might be fatal. Any State, therefore, is justified in such a case in breaking off relations with the offending State on its own initiative, but it is probable, in fact, that the smaller States, unless directly attacked, will wait to see what decision is taken by the Great Powers or by the Council, which is bound to meet as soon as possible, and is certain to do so within a few hours. It is the duty of the Council, with the help of its military, naval and air advisers, to recommend what effective force each Member of the League shall supply; for this purpose, each Member from which a contribution is required has the right to attend the Council, with power of veto, during the consideration of its particular case. The several contingents will therefore be settled by agreement, as is indeed necessary if the spirit of the Covenant is to be preserved, and if joint action is to be efficacious. But it is desirable at this point to meet the objection that under such conditions the League will always be late, and consequently offers no safeguard against sudden aggression.

It is true that, in default of a strong international striking force, ready for instant action in all parts of the world, the Members of the League must make their own arrangements for immediate self-defence against any force that could be suddenly concentrated against them, relying on such understandings as they have come to with their neighbours previously for this purpose. There is nothing in the Covenant (see Article XXI) to forbid defensive conventions between States, so long as they are really and solely defensive, and their contents are made public. They will, in fact, be welcomed, in so far as they tend to preserve the peace of the world.

To meet the first shock of sudden aggression, therefore, States must rely on their own resistance and the aid of their neighbours. But where, as in the case of the moratorium being observed, the aggression is not sudden, it is certain that those Powers which suspect a breach of the Covenant will have consulted together unofficially to decide on precautionary measures and to concert plans to be immediately put into force if the breach of the Covenant takes place. In this event these meetings of the representatives of certain Powers will develop into the Supreme War Council of the League, advised by a joint staff. Some reasons why this staff must be an ad hoc body, and not a permanent one, have been stated under Article VIII.

The last paragraph of Article XVI is intended to meet the case of a State which, after violating its covenants, attempts to retain its position on the Assembly and Council.

Article XVII asserts the claim of the League that no State, whether a member of the League or not, has the right to disturb the peace of the world till peaceful methods of settlement have been tried. As in early English law any act of violence, wherever committed, came to be regarded as a breach of the King's peace, so any and every sudden act of war, is henceforward a breach of the peace of the League, which will exact due reparation.

TREATIES AND UNDERSTANDINGS.

Articles XVIII-XXI describe the new conditions which must govern international agreements if friendship and mutual confidence between peoples are to

prevail; the first three provide that all treaties shall be (1) public, (2) liable to reconsideration at the instance of the Assembly and (3) consonant with the terms of the Covenant. These provisions are of the very first importance.

Article XVIII makes registration, and not publication, the condition for the validity of treaties, for practical reasons, since experience shows that the number of new international agreements continually being made is likely to be so great that instant publication may not be possible; but it is the duty of the Secretariat to publish all treaties as soon as this can be done.

Article XIX should be read together with Article XI.

Article XXI makes it clear that the Covenant is not intended to abrogate or weaken any other agreements, so long as they are consistent with its own terms, into which the members of the League may have entered, or may enter hereafter, for the further assurance of peace. Such agreements would include special treaties for compulsory arbitration, and military conventions that are genuinely defensive. The Monroe doctrine and similar understandings are put in the same category. They have shown themselves in history to be not instruments of national ambition, but guarantees of peace.

The origin of the Monroe doctrine is well known. It was proclaimed in 1823 to prevent America becoming a theatre for the intrigues of European absolutism. At first a principle of American foreign policy, it has become an international understanding, and it is not illegitimate for the people of the United States to ask that the Covenant should recognize this fact. In its essence it is consistent with the spirit of the Covenant, and indeed the principles of the League, as expressed in Article X, represent the extension to the whole world of the principles of the doctrine; while, should any dispute as to the meaning of the latter ever arise between American and European Powers, the League is there to settle it.

THE FUNCTIONS OF THE LEAGUE IN PEACE.

Articles XXII-XXV cover the greater part of the ordinary peace-time activities of the League.

Article XXII introduces the principle, with reference to the late German colonies and territories of the Ottoman Empire, that countries as yet incapable of standing alone should be administered for the benefit of the inhabitants by selected States, in the name, and on behalf, of the League, the latter exercising a general supervision. The safeguards which enlightened public opinion demands will in each case be inserted in the text of the actual convention conferring the Mandate. No provision is made in the Covenant for the extension of such safeguards to the other similar dependencies of the Members of the League, but it may be hoped that the maintenance of a high standard of administration in the mandate territories will react favourably wherever a lower standard now exists, and the mandatory principle may prove to be capable of wide application.

The saving clause at the beginning of Article XXIII makes it clear that the undertakings following do not bind the members of the League further than they are bound by existing or future conventions supplementary to the Covenant.

Undertaking (a) throws the agis of the League over the Labour Convention, which itself provides that membership of the League shall carry with it membership of the new permanent Labour organization; (b) applies to territories not covered by Article XXII; (d) refers to the arms traffic with uncivilized and semi-civilized countries. The matters specially mentioned in this article are to be taken merely as instances of the many questions in which the League is interested. Conventions relating to some of these, such as Freedom of Transit and

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Ports, Waterways and Railways, are now being prepared; with regard to a large number of others similar conventions may be expected in the future.

Article XXIV is of great importance, as it enlarges the sphere of usefulness of the Secretariat of the League to an indefinite degree. The Covenant has laid the foundations on which the statesmen and peoples of the future may build up a vast structure of peaceful international co-operation.

AMENDMENT OF THE COVENANT.

The provisions of Article XXVI facilitate the adoption of amendments to the Covenant, seeing that all ordinary decisions of the Assembly have to be unanimous.

The second paragraph was inserted to meet the difficulties of certain States which might fail to secure the assent of their proper constitutional authorities to an amendment agreed to by the Council and the majority of the Assembly. They are now given the option of accepting the amendment or withdrawing from the League; but there is little doubt that, if the League becomes an institution of real value, the choice will be made in favour of accepting proposals that already command such wide assent.

It is the facility of amendment ensured by this article, and the absence of restrictions on the activities of the Assembly, the Council and the Secretariat, which make the constitution of the League flexible and elastic, and go far to compensate for the omissions and defects from which no instrument can be free that represents the fusion of so many and various currents of thought and unrest.

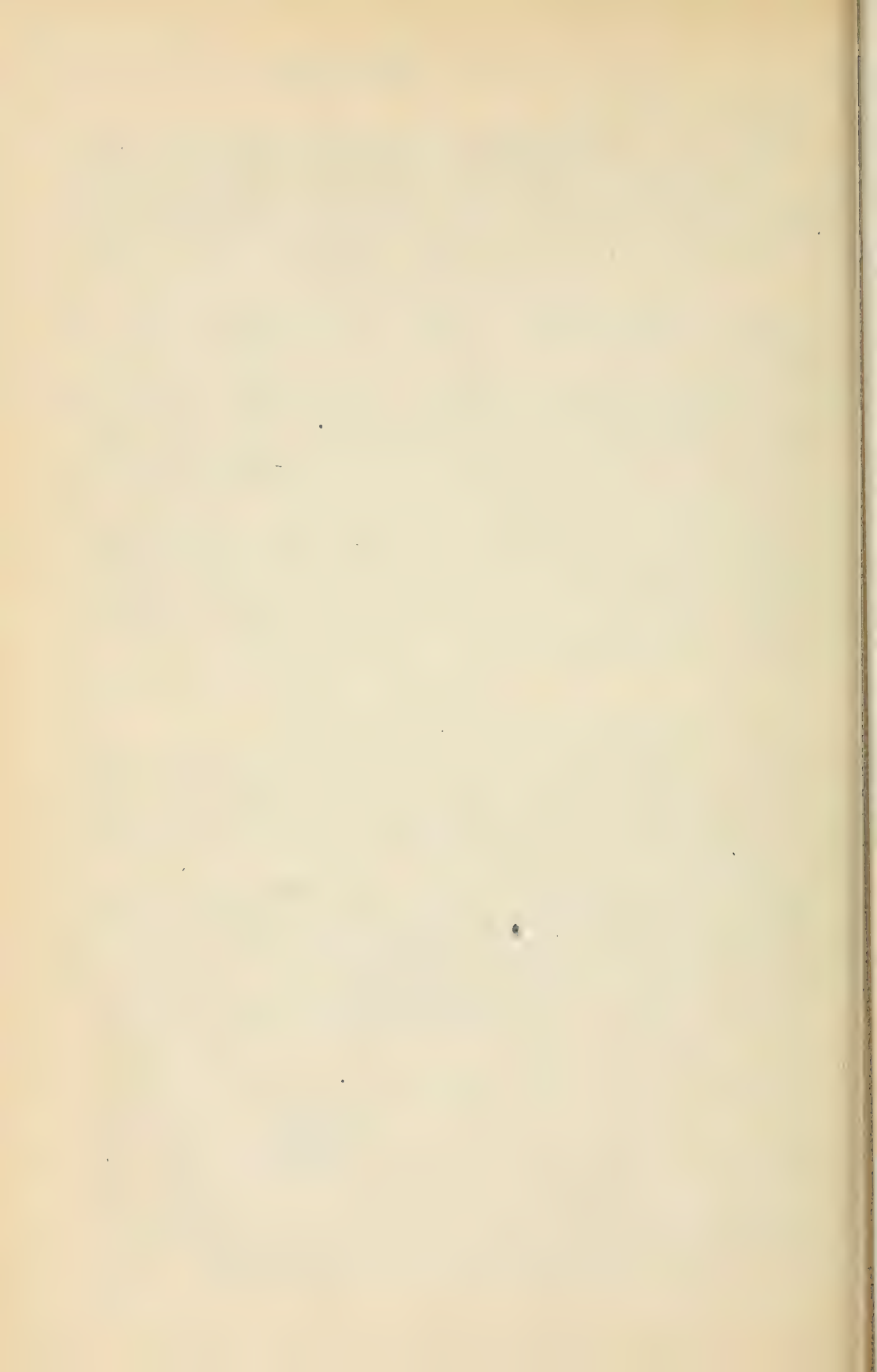
NOTE ON THE STATUS OF THE DOMINIONS IN THE LEAGUE OF NATIONS.

The following Declaration respecting the interpretation of Article 4 of the Covenant was signed by M. Clemenceau, President Wilson and Mr. Lloyd George at the Plenary Session of the Peace Conference, held on May 6th, 1919, when the draft Treaty of Peace was adopted by the Allied and Associated Powers for presentation to the German Delegation on the following day. This Declaration was incorporated in the records of the Peace Conference. The Declaration is as follows:

The question having been raised as to the meaning of Article IV of the League of Nations Covenant, we have been requested by Sir Robert Borden to state whether we concur in his view, that upon the true construction of the first and second paragraphs of that Article, representatives of the self-governing Dominions of the British Empire may be selected or named as members of the Council. We have no hesitation in expressing our entire concurrence in this view. If there were any doubt it would be entirely removed by the fact that the Articles of the Covenant are not subject to a narrow or technical construction.

Dated at the Quai d'Orsay, Paris, the sixth day of May, 1919.

(Signed) G. CLEMENCEAU.
WOODROW WILSON.
D. LLOYD GEORGE.



LABOUR
AND
THE PEACE TREATY
INCLUDING
THE LABOUR CONVENTION AND GENERAL
PRINCIPLES

As Incorporated in the Treaty of Peace, Part XIII, Sections I and II,
Articles 387-427, between the Allied and Associated Powers
and Germany, signed at Versailles, June 28, 1919.

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1919

LARUE

THE FEACE TREATY

THE HISTORY OF THE
TREATY OF 1763

BY
JAMES O. HARRIS



NEW YORK: PUBLISHED BY
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LABOUR

AND THE

PEACE TREATY.

1. INTRODUCTION.

The Labour Section of the Peace Treaty has not, perhaps, received as much attention as some other sections dealing with burning subjects related more closely to the immediate issues of the war. It is safe to say, however, that no section is more pregnant for good or evil to the new world which is now beginning to take shape. If they are to fulfil their purpose, the Peace Treaty and the League of Nations must not merely bring freedom to oppressed nationalities and relieve mankind from the spectre of military aggression. It must, in fact, be a living organism, with the power and the will not merely to protect its members against the evils of war, but to ensure to them the good things of peace.

If it is to do this in any effective way, it must furnish the means of lifting the social civilisation of the world to a higher general level. Civilisation, after all, depends finally on the free development of the individual. The League of Nations, therefore, if it is to do its work, must be capable of ensuring, as far as can be done by international action, the prosperity and development of the individual as well as of the national community to which he belongs.

It was with this object in view that the Labour Section of the Peace Treaty was framed. It embodies a scheme which was based on proposals put forward by the British representatives for establishing a permanent organisation as part of the League to secure minimum conditions of life to the workers all over the world. In the past social and industrial progress has often been hindered by the fear of individual States that improvement in the industrial and social conditions of their workers could only be purchased by the loss of trade in the international market, which would in the end prove ruinous.

On the other hand, it was beginning to be felt before the war that, if co-operation could be brought about among the nations, simultaneous improvements could be carried out with little detriment to any of them and with great benefit to the workers of all countries. The tentative beginnings of such co-operation were made at the Berne Conference of 1906 and 1913, but the organisation now established by the Peace Treaty takes a very long step forward. Instead of leaving international action to the chance initiative of some philanthropic State, which, in response to a long campaign against some particular feature of industrial life, issued an invitation to other States (which they could accept on conditions or refuse altogether) to send officials to a conference, there is now a permanent machinery always in action. When the conference of officials had dispersed, there was no provision for calling it together again save by the same method. It is now provided that a conference containing not only representatives of the Governments, but also of employers and Trade Unions from every country, shall meet at least once in every year.

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Behind the Conference is a permanent International Labour Office charged with the collection and dissemination of information on all industrial questions of international interest, and therefore constantly, by research and investigation, bringing new problems into the sphere of international adjustment when they can be dealt with by the Conference. The difference is in fact that whereas the old haphazard system might succeed occasionally in dealing with things against which informed public opinion revolted, as, for example, phosphorus poisoning, the new system provides for the scientific study and subsequent international treatment of all classes of labour questions. The old system might secure an occasional prohibition of some dangerous process or of unsuitable work for women and children. The new system contains the potentialities of a regular and general improvement of industrial conditions. Moreover, the delegates of each nation will not vote in a national block, but each delegate will be free to express his views and cast his vote in whatever way he thinks best on every occasion. Further, unanimous decisions will no longer be necessary in order to put the findings of the Conference in the way of realisation. All questions will be decided by a bare majority, except the final approval of Conventions, for which a two-thirds majority will be required. The Conventions will then have to be laid before the proper legislative or other authority in each country for ratification within one year, and there is little doubt that the moral force behind the decisions of such a representative gathering as the Conference will be, will ensure that its decisions will be adopted by the great majority of countries. Once they have been adopted, every country will be under obligation to give full effect to them, and machinery, under the control of the League, is provided for ensuring that this shall be done.

There are some who have criticised the scheme as timid, on the ground that it did not set up an International Labour Parliament whose decisions should forthwith be binding on all countries. The Commission considered this question very carefully, but eventually decided, for the reasons which are explained in its report, that the time was not yet ripe for such an institution, though it expressed the hope that it would be realised in the future. Objection has also been raised on the ground that the Governments were given an unduly large representation in the Labour Conference. This again was a matter which was exhaustively considered by the Commission. The reasons which led it to adopt the arrangements provided in the Treaty are fully set forth in the report, from which it will be seen that they were actuated by the belief that by this means progressive labour legislation could be promoted.

This pamphlet gives the Labour Section of the Peace Treaty more easily, together with an explanation of its principal features contained in the report submitted to the Peace Conference by the Commission which drew it up. For greater convenience of reference the articles are numbered from 1 onwards as in the original draft drawn up by the Commission, the numbers in brackets being those of the Treaty itself. A certain number of alterations, mostly of a drafting character, were made in the Articles dealing with the permanent organisation after it left the Commission, but none of them affect the general character of the scheme. The Labour Clauses, however, were modified in several important particulars, but the alterations again do not affect the general application of Part II of the Commission's report.

GEORGE N. BARNES.

2/7 1919.

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2. TERMS OF REFERENCE AND CONSTITUTION OF THE COMMISSION ON INTERNATIONAL LABOUR LEGISLATION.

The Commission on International Labour Legislation was appointed by the Peace Conference on the 31st January, 1919. The terms of reference were as follows:—

“That a Commission, composed of two representatives apiece from the five Great Powers, and five representatives to be elected by the other Powers represented at the Peace Conference, be appointed to inquire into the conditions of employment from the international aspect, and to consider the international means necessary to secure common action on matters affecting conditions of employment, and to recommend the form of a permanent agency to continue such inquiry and consideration in co-operation with and under the direction of the League of Nations.”

At a meeting of the other States on the 27th January, 1919, it was agreed that Belgium should nominate two representatives on the Commission, and Cuba, Poland and the Czecho-Slovak Republic one each.

The Commission was composed as follows:—

United States of America—

Mr. Samuel Gompers, President of the American Federation of Labour; Hon. A. N. Hurley, President of the American Shipping Board. (Substitutes: Hon. H. M. Robinson, Dr. J. T. Shotwell, Professor at Columbia University.

The British Empire—

The Rt. Hon. G. N. Barnes, M.P., Member of the War Cabinet. (Substitute: Mr. H. B. Butler, C.B., Assistant Secretary, Ministry of Labour.) Sir Malcolm Delevingne, K.C.B., Assistant Under-Secretary of State, Home Office.

France—

Mr. Colliard, Minister of Labour. (Substitute: Mr. Arthur Fontaine, Counsellor of State, Director of Labour.) Mr. Loucheur, Minister of Industrial Reconstruction. (Substitute: Mr. Léon Jouhaux, General Secretary of the Confédération Générale du Travail.)

Italy—

Baron Mayor des Planches, Hon. Ambassador, Commissioner-General for Emigration. Mr. Cabrini, Deputy, Vice-President of the Supreme Labour Council. (Substitute: Mr. Coletti.)

Japan—

Mr. Otchiai, Envoy Extraordinary, Minister Plenipotentiary of His Majesty The Emperor of Japan at The Hague. Mr. Oka, formerly Director of Commercial and Industrial Affairs at the Ministry of Agriculture and Commerce.

Belgium—

Mr. Vandervelde, Minister of Justice and of State. (Substitute: Mr. La Fontaine, Senator.) Mr. Mahaim, Professor at Liège University, Secretary to the Belgian Section of the Association for the Legal Protection of Workmen.

Cuba—

Mr. De Bustamante, Professor at Havana University. (Substitutes: Mr. Raphael Martinez Ortiz, Minister Plenipotentiary; Mr. De Blanck, Minister Plenipotentiary.)

Poland—

Count Zoltowski, Member of the Polish National Committee, afterwards replaced by Mr. Stanislas Patek, Counsellor of the Court of Cassation. (Substitute: Mr. François Sokal, Director-General of Labour.)

Czecho-Slovak Republic—

Mr. Benès, Minister for Foreign Affairs, afterwards replaced by Mr. Rudolph Broz.

The following were appointed officers of the Commission:—

President, Mr. Samuel Gompers (U.S.A.);

Vice-Presidents: The Rt. Hon. G. N. Barnes, M.P. (British Empire), Mr. Colliard (France);

General Secretary, Mr. Arthur Fontaine (France);

Assistant General Secretary, Mr. H. B. Butler (British Empire);

Secretaries: Baron Capelle (substitute, Count de Grunne), Belgium; Mr. di Palma Castiglione, Italy; Mr. Oyster, U.S.A.; Mr. Yoshisaka, Japan.

3. REPORT OF THE COMMISSION.

The Commission has held thirty-five meetings, and has drawn up its conclusions in two parts. The first is a draft convention containing provisions for the establishment of a permanent organisation for international labour legislation. This convention, which was based on a draft presented by the British Delegation, has been the subject of the most careful examination and discussion. The first part of this report may conveniently take the form of a commentary thereon. The second part of the Commission's conclusions is in the form of clauses containing declarations of principle in regard to a number of matters which are of vital importance to the labour world. At the opening sittings, the various Delegations agreed on the need for such declarations which the Commission suggests should be included in the Treaty of Peace, in order that it may mark not only the close of the period which culminated in the world-war, but also the beginning of a better social order and the birth of a new civilisation.

PART I.—PERMANENT ORGANISATION.

Preamble.

The main idea underlying the scheme embodied in the Convention is that the constitution of the League of Nations will not provide a real solution of the troubles which have beset the world in the past, and will not even be able to eliminate the seeds of international strife, unless it provides a remedy for the industrial evils and injustices which mar the present state of society. In proposing, therefore, to establish a permanent organisation in order to adjust labour conditions by international action, the Commission felt that it was taking an indispensable step towards the achievement of the objects of the League of Nations and has given expression to this idea in the Preamble, which defines the objects and scope of the proposed organisation.

CHAPTER I.

Chapter I provides the machinery of the permanent organisation proposed. In the first place, it is stipulated (Article I) that participation in this organisation shall be a condition of membership of the League of Nations, since every State Member of

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the League is morally bound to accept the principles set forth in the Preamble, if it has really at heart the promotion of the cause of justice and humanity.

The organisation itself is divided into two parts: (1) The International Labour Conference; (2) The International Labour Office controlled by a Governing Body. (Article 2.)

1. International Labour Conference.

This Conference will meet at least annually and will consist of delegates nominated by each of the High Contracting Parties, two of whom will be directly appointed by the Governments, and the other two will be chosen in agreement with the industrial organisations representative of their employers and workpeople respectively. (Article 3.)

Each delegate will vote individually (Article 4). It was strongly felt by the Commission that if the Conference was really to be representative of all those concerned with industry and to command their confidence, the employers and workpeople must be allowed to express their views with complete frankness and freedom, and that a departure from the traditional procedure of voting by national units was therefore necessary. It was accordingly thought that the employers' and workpeople's delegates should be entitled to speak and vote independently of their Governments.

Some difference of opinion made itself felt on the Commission as to the relative numbers of the delegates representing the Governments, the employers and the workpeople respectively. The French, American, Italian and Cuban Delegations contended that each of these three parties should have equal voting power. They maintained that the working classes would never be satisfied with a representation which left the Government and the employers combined in a majority of three to their one. In other words, the proposal amounted to giving the States a veto on the proceedings of the Conference which would create so much distrust of it among the workers that its influence would be seriously prejudiced from the start. This view was contested by the British, Belgian and other Delegations, who pointed out that as the Conference was not simply an assembly for the purpose of passing resolutions, but would draw up draft conventions which the States would have to present to their legislative authorities, it was essential that the Governments should have at least an equal voice. Otherwise, it might often happen that conventions adopted by a two-thirds majority of the Conference would be rejected by the legislatures of the various States, which would have the effect of rendering the proceedings of the Conference nugatory and would quickly destroy its influence and prestige. The adoption of a proposal to which the majority of the Governments were opposed would not lead to any practical result, as the legislative authorities of the Governments whose delegates were in the minority would in all probability refuse to accept it. Moreover, it was likely, especially in the future, that the Government delegates would vote more often with the workers than against them. If this were so, it was obviously to the advantage of the latter that the Governments should have two votes instead of one, as it would render it easier for them to obtain a two-thirds majority, which under the Franco-American proposal would be practically impossible if the employers voted in a body against them.

The Commission finally decided by a narrow majority to maintain the proposal that each Government should have two delegates.

The Italian Delegation, which united with the French Delegation in urging the importance of securing representation for agricultural interests, were to some extent reconciled to the above decision by the consideration that, as the Governments would have two delegates, it would be easier to secure such representation. It should also be observed that, as different technical advisers may be appointed for each subject of discussion, agricultural advisers may be selected when necessary.

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2. International Labour Office (Articles 6 to 13).

This Office will be established at the seat of the League of Nations, as part of its administrative organisation. It will be controlled by a Governing Body of 24 members, the composition of which is provided for in the Protocol to Article 7. Like the Conference, the Governing Body will consist of representatives of the Governments, employers and workpeople. It will include 12 representatives of the Governments, 8 of whom will be nominated by the States of chief industrial importance, and the remaining 12 will consist of six members nominated by the employers' delegates to the Conference, and six nominated by the workers' delegates. The objects and functions of the Office are sufficiently explained in the articles referred to.

CHAPTER II.

1. Procedure (Articles 14 to 21).

This portion of the Convention contains one article of vital importance, namely, Article 19, which treats of the obligations of the States concerned in regard to the adoption and ratification of draft conventions agreed upon by the International Conference.

The original draft proposed that any draft convention adopted by the Conference by a two-thirds majority must be ratified by every State participating, unless within one year the national legislature should have expressed its disapproval of the draft convention. This implied an obligation on every State to submit any draft convention approved by the Conference to its national legislature within one year, whether its own Government representatives had voted in favour of its adoption or not. This provision was inspired by the belief that, although the time had not yet come when anything in the nature of an international legislature whose decisions should be binding on the different States was possible, yet it was essential for the progress of international labour legislation to require the Governments to give their national legislatures the opportunity of expressing their opinion on the measures favoured by a two-thirds majority of the Labour Conference.

The French and Italian Delegations, on the other hand, desired that States should be under an obligation to ratify conventions so adopted, whether their legislative authorities approved them or not, subject to a right of appeal to the Executive Council of the League of Nations. The Council might invite the Conference to reconsider its decision, and in the event of its being reaffirmed there would be no further right of appeal.

Other Delegations, though not unsympathetic to the hope expressed in the first resolution printed at the end of the draft convention, that in course of time the Labour Conference might, through the growth of the spirit of internationality, acquire the powers of a truly legislative international assembly, felt that the time for such a development was not yet ripe. If an attempt were made at this stage to deprive States of a large measure of their sovereignty in regard to labour legislation, the result would be that a considerable number of States would either refuse to accept the present convention altogether, or, if they accepted it, would subsequently denounce it, and might even prefer to resign their membership of the League of Nations rather than jeopardise their national economic position by being obliged to carry out the decisions of the International Labour Conference. The majority of the Commission therefore decided in favour of making ratification of a convention subject to the approval of the national legislatures or other competent authorities.

The American Delegation, however, found themselves unable to accept the obligations implied in the British draft on account of the limitations imposed on the central

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executive and legislative powers by the constitution of certain federal States, and notably of the United States themselves. They pointed out that the Federal Government could not accept the obligation to ratify conventions dealing with matters within the competence of the forty-eight States of the Union, with which the power of Labour legislation for the most part rested. Further, the Federal Government could not guarantee that the constituent States, even if they passed the necessary legislation to give effect to a convention, would put it into effective operation, nor could it provide against the possibility of such legislation being declared unconstitutional by the Supreme Judicial Authorities. The Government could not therefore engage to do something which was not within their power to perform, and the non-performance of which would render them liable to complaint.

The Commission felt that they were here faced by a serious dilemma, which threatened to make the establishment of any real system of international labour legislation impossible. On the one hand, its range and effectiveness would be almost fatally limited if a country of such industrial importance as the United States did not participate. On the other hand, if the scheme were so weakened as to impose no obligation on States to give effect to, or even to bring before their legislative authorities, the decisions of the Labour Conference, it was clear that its work would tend to be confined to the mere passage of resolutions instead of resulting in the promotion of social reforms with the sanction of law behind them.

The Commission spent a considerable amount of time in attempting to devise a way out of this dilemma, and is glad to be able to record that it ultimately succeeded in doing so. Article 19 as now drafted represents a solution found by a Sub-Commission consisting of representatives of the American, British and Belgian Delegations specially appointed to consider the question. It provides that the decisions of the Labour Conference may take the form either of recommendations or of draft conventions. Either must be deposited with the Secretary-General of the League of Nations and each State undertakes to bring it within one year before its competent authorities for the enactment of legislation or other action. If no legislation or other action to make a recommendation effective follows, or if a draft convention fails to obtain the consent of the competent authorities concerned, no further obligation will rest on the State in question. In the case of a Federal State, however, whose power to enter into conventions on labour matters is subject to limitations, its Government may treat a draft convention to which such limitations apply as a recommendation only.

The Commission felt that there might in any event be instances in which the form of a recommendation affirming a principle would be more suitable than that of a draft convention, which must necessarily provide for the detailed application of principles in a form which would be generally applicable by every State concerned. Subjects will probably come before the Conference which, owing to their complexity and the wide differences in the circumstances of different countries, will be incapable of being reduced to any universal and uniform mode of application. In such cases a convention might prove impossible, but a recommendation of principles in more or less detail which left the individual States freedom to apply them in the manner best suited to their conditions would undoubtedly have considerable value.

The exception in the case of Federal States is of greater importance. It places the United States and States which are in a similar position under a less degree of obligation than other States in regard to draft conventions. But it will be observed that the exception extends only to those Federal States which are subject to limitations in respect of their treaty-making powers on labour matters, and further that it only extends in so far as these limitations apply in any particular case. It will not apply in the case of a convention to which the limitations do not apply, or after any such limitations as may at present exist have been removed. Though reluctant to contemplate an arrangement under which all States would not be under identical

obligations, the Commission felt that it was impossible not to recognize the constitutional difficulties which undoubtedly existed in the case of certain Federal States, and therefore proposed the above solution as the best possible in the circumstances.

Attention should be drawn to the protocol* to Article 19. The fear was expressed that the article might be interpreted as implying that a State would be required to diminish the protection already afforded to the workers by its legislation as a result of the adoption of a recommendation or draft convention by the Conference; and in consequence, the protocol was added in order to make it quite clear that such an interpretation was inadmissible.

It should be added that the Japanese Delegation abstained from voting on Article 19, as they had not yet received instructions, from their Government in the matter. The Italian Delegation also abstained on the ground of the inadequacy of the powers given to the Conference.

2. Enforcement (Articles 22 to 34).

These articles provide machinery whereby a State which fails to carry out its obligations arising under Article 19, or which fails to enforce a convention which it has ratified, may be made subject to economic measures. This machinery is briefly as follows:—

An industrial association of employers and workpeople may make representations to the International Labour Office which the Governing Body may at its discretion communicate to the State complained of for its observations. (Article 23.) If no satisfactory reply is received the Governing Body may publish the correspondence (Article 24), which in most cases will probably create sufficient pressure by public opinion to cause the complaint to be remedied.

The Governing body also has the power, either on its own motion or on receipt of a complaint from a Government or from a Delegate to the Conference, to apply to the Secretary-General of the League of Nations to nominate a commission of enquiry. For the purpose of such enquiries, each High Contracting Party undertakes to nominate one employer, one workman and one person of independent standing, and each commission shall consist of one person drawn from each of these three categories. (Article 25 and 26.) The Commission will report on the facts, recommend the steps which should be taken to meet the complaint, and indicate the economic measures, if any, which it considers would be appropriate in the event of the condition complained of not being remedied. (Article 28.)

Appeal may be made to the Permanent Court of International Justice of the League of Nations, which shall have power to review the findings of the Commission. (Articles 29 to 32.) If the defaulting State fails to carry out the recommendations of the Commission or the Permanent Court, as the case may be, within the specified time, it will then be open to the other States to take the economic measures indicated against it. (Article 33.)

It will be seen that the above procedure has been carefully devised in order to avoid the imposition of penalties, except in the last resort, when a State has flagrantly and persistently refused to carry out its obligations under a convention. It can hardly be doubted that it will seldom, if ever, be necessary to bring these powers into operation, but the Commission consider that the fact of their existence is nevertheless a matter of almost vital importance to the success of the scheme.

The representatives of the working classes in some countries have pressed their delegates to urge more drastic provisions in regard to penalties. The Commission, while taking the view that it will be in the long run be preferable as well as more effective to rely on the pressure of international public opinion rather than on

* Now embodied in the article itself. See page 23.

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economic measures, nevertheless considers it necessary to retain the possibility of the latter in the background. If all forms of sanction were removed, the effectiveness of the scheme, and, what is almost equally important, the belief in its effectiveness, would be in a great measure destroyed.

Chapter III.—General.

This chapter does not call for much comment, but attention should perhaps be drawn to the provisions of Article 35, which provide that the *British Dominions and India, and any colonies or possessions of any State which may hereafter be recognized as fully self-governing by the Executive Council of the League of Nations, shall have the same rights and obligations under the convention as if they were separate High Contracting Parties. It seemed evident to the Commission that Colonies which were fully self-governing, not only as regards labour legislation but generally, must be regarded as separate entities for the purposes of the Labour Conference, but it was decided that a State and its self-governing colonies should not have more than one seat in the Governing Body.† In the case of colonies which are not fully self-governing, the mother country undertakes the obligation to apply labour conventions to them, unless local conditions render it impossible to apply them either wholly or in part.

Chapter IV.—Transitory Provisions.

This Chapter provides, *inter alia*, for the holding of the first Conference in October, 1919.

The Commission felt it was essential that the Conference should meet at the earliest possible moment, but that, if it was to do its work effectively, some time must be allowed for the collection of information and for the different countries to prepare their views on the various subjects for discussion. The Conference could, therefore, hardly meet earlier than October. In the schedule* to Article 39, it is proposed that the arrangements for this Conference should be made by an international committee consisting of representatives of the States named, with power to invite other States to send representatives, if necessary. It is suggested that the United States Government might be willing to convene the Conference at Washington, and the Commission much hopes that they will be willing to undertake this task. It is also suggested that the Peace Conference should approve the agenda set out in the same schedule.

The Italian Delegation proposed that all Nations should be admitted to the Conference immediately after the signature of the Peace Treaty, but the Commission confined itself to passing the second resolution† attached to the draft convention.

See foot note, p. 16.

In conclusion, it should be remarked that after a long discussion on the question of adopting certain measures in the interest of seamen, the Commission thought that "the very special questions concerning the minimum conditions to be accorded to seamen might be dealt with at a special meeting of the International Labour Conference devoted exclusively to the affairs of seamen." at which the Delegates and technical advisers could accordingly be chosen from the shipping community. See resolution‡ attached to the Convention.)

Part II.—Labour Clauses.

The Commission were unanimous in thinking that their work would not be complete if it were simply confined to setting up a permanent machinery for Inter-

* See foot notes, p. 15.

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national Labour Legislation. It was not within their competence or within their terms of reference to deal with specific questions relating to industrial conditions and to work them out with detail necessary for the framing of proposals which could be excepted in a binding form. So impressed were they, however, with the urgent need for recognizing explicitly certain fundamental principles as necessary to social progress, that they decided to submit a series of declarations for insertion in the Peace Treaty. They did not feel called upon, however, to draw up a Charter containing all the reforms which may be hoped for in a more or less distant future, but confined themselves to principles the realization of which may be contemplated in the near future.

It will be seen that the High Contracting Parties are not asked to give immediate effect to them, but only to endorse them generally. It will be the duty of the International Labour Conference to examine them thoroughly and to put them in the form of recommendations or draft conventions elaborated with the detail necessary for their practical application.

Proposals were placed before the Commission by the Italian, French, American, Belgian and British Delegations as to the declarations which should be made. The Commission decided that no declaration should be submitted to the Peace Conference, unless it were adopted by a two-thirds majority, and it now has the honour of submitting nine declarations, all of which obtained such a majority and some of which were adopted unanimously.

It should be added, in conclusion, that a majority, but not a two-thirds majority, was obtained for a proposal couched in very general terms which suggested the application to agriculture of the general principles of labour legislation, and which arose out of an Italian proposal in regard to the limitation of the hours of work in agriculture. The delegates who voted against this proposal were, as they explained, by no means hostile to its general idea, but they thought that a proposal in such wide terms was not suitable for inclusion among the declarations to be put forward.

SAMUEL GOMPERS,

President.

ARTHUR FONTAINE,

General Secretary.

HAROLD BUTLER,

Assistant General Secretary.

Paris, March 24, 1919.

4. THE LABOUR SECTIONS OF THE PEACE TREATY.

SECTION I.—PERMANENT ORGANIZATION.

(The figures in brackets are the numbers of the Articles in the Peace Treaty.)

Preamble.

Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice:

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is

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urgently required; as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provisions for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organization of vocational and technical education and other measures;

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries;

The High Contracting Parties, moved by sentiments of justice and humanity, as well as by the desire to secure the permanent peace of the world, agree to the following:—

Chapter I.—Organization.

ARTICLE 1. (387.)

A permanent organization is hereby established for the promotion of the objects set forth in the Preamble.

The original Members of the League of Nations shall be the original Members of this organization, and hereafter membership of the League of Nations shall carry with it membership of the said organization.

ARTICLE 2. (388.)

The permanent organization shall consist of (i) a General Conference of Representatives of the Members and (ii) an International Labour Office controlled by the Governing Body described in Article 7.

ARTICLE 3. (389.)

The meetings of the General Conference of Representatives of the Members shall be held from time to time as occasion may require, and at least once in every year. It shall be composed of four Representatives of each of the Members, of whom two shall be Government Delegates and the two others shall be Delegates representing respectively the employers and the workpeople of each of the Members.

Each Delegate may be accompanied by advisers, who shall not exceed two in number for each item on the agenda of the meeting. When questions specially affecting women are to be considered by the Conference, one at least of the advisers should be a woman.

The Members undertake to nominate non-Government Delegates and advisers chosen in agreement with the industrial organizations, if such organizations exist, which are most representative of employers or workpeople, as the case may be, in their respective countries.

Advisers shall not speak except on a request made by the Delegate whom they accompany and by the special authorization of the President of the Conference, and may not vote.

A Delegate may by notice in writing addressed to the President appoint one of his advisers to act as his deputy, and the adviser, while so acting, shall be allowed to speak and vote.

The names of the Delegates and their advisers will be communicated to the International Labour Office by the Government of each of the Members.

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The credentials of Delegates and their advisers shall be subject to scrutiny by the Conference, which may, by two-thirds of the votes cast by the Delegates present, refuse to admit any Delegate or adviser whom it deems not to have been nominated in accordance with this Article.

ARTICLE 4. (390.)

Every Delegate shall be entitled to vote individually on all matters which are taken into consideration by the Conference.

If one of the Members fails to nominate one of the non-Government Delegates whom it is entitled to nominate, the other non-Government Delegate shall be allowed to sit and speak at the Conference, but not to vote.

If in accordance with Article 3 the Conference refuses admission to a Delegate of one of the Members, the provisions of the present Article shall apply as if that Delegate had not been nominated.

ARTICLE 5. (391.)

The meetings of the Conference shall be held at the seat of the League of Nations or at such other place as may be decided by the Conference at a previous meeting by two-thirds of the votes cast by the Delegates present.

ARTICLE 6. (392.)

The International Labour Office shall be established at the seat of the League of Nations as part of the organization of the League.

ARTICLE 7. (393.)

The International Labour Office shall be under the control of a Governing Body consisting of 24 persons, appointed in accordance with the following provisions:—

The Governing Body of the International Labour Office shall be constituted as follows:—

Twelve persons representing the Governments,

Six persons elected by the Delegates to the Conference representing the employers,

Six persons elected by the Delegates to the Conference representing the workers.

Of the 12 persons representing the Governments eight shall be nominated by the Members which are of the chief industrial importance, and four shall be nominated by the Members selected for the purpose by the Government Delegates to the Conference, excluding the Delegates of the eight Members mentioned above.

Any question as to which are the Members of the chief industrial importance shall be decided by the Council of the League of Nations.

The period of office of the members of the Governing Body will be three years. The method of filling vacancies and other similar questions may be determined by the Governing Body subject to the approval of the Conference.

The Governing Body shall, from time to time, elect one of its members to act as its Chairman, shall regulate its own procedure and shall fix its own times of meeting. A special meeting shall be held if a written request to that effect is made by at least 10 members of the Governing Body.

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ARTICLE 8. (394.)

There shall be a Director of the International Labour Office, who shall be appointed by the Governing Body, and, subject to the instructions of the Governing Body, shall be responsible for the efficient conduct of the International Labour Office and for such other duties as may be assigned to him.

The Director or his deputy shall attend all meetings of the Governing Body.

ARTICLE 9. (395.)

The staff of the International Labour Office shall be appointed by the Director, who, shall, so far as is possible with due regard to the efficiency of the work of the Office, select persons of different nationalities. A certain number of these persons shall be women.

ARTICLE 10. (396.)

The functions of the International Labour Office shall include the collection and distribution of information on all subjects relating to the international adjustment of conditions of industrial life and labour, and particularly the examination of subjects which it is proposed to bring before the Conference with a view to the conclusion of international conventions, and the conduct of such special investigations as may be ordered by the Conference.

It will prepare the agenda for the meetings of the Conference.

It will carry out the duties required of it by the provisions of this part of the present Treaty in connection with international disputes.

It will edit and publish in French and English, and in such other languages as the Governing Body may think desirable, a periodical paper dealing with problems of industry and employment of international interest.

Generally in addition to the functions set out in this article, it shall have such other powers and duties as may be assigned to it the Conference.

ARTICLE 11. (397.)

Government Departments of any of the Members which deal with questions of industry and employment may communicate directly with the Director through the Representative of their Government on the Governing Body of the International Labour Office, or failing any such Representative, through such other qualified official as the Government may nominate for the purpose.

ARTICLE 12. (398.)

The International Labour Office shall be entitled to the assistance of the Secretary-General of the League of Nations in any matter in which it can be given.

ARTICLE 13. (399.)

Each of the Members will pay the travelling and subsistence expenses of its Delegates and their advisers and of its Representatives attending the meetings of the Conference or Governing Body, as the case may be.

All the other expenses of the International Labour Office and of the meetings of the Conference or Governing Body shall be paid to the Director by the Secretary-General of the League of Nations out of the general funds of the League.

The Director shall be responsible to the Secretary-General of the League for the proper expenditure of all moneys paid to him in pursuance of this Article.

Chapter II.—Procedure.

ARTICLE 14. (400.)

The agenda for all meetings of the Conference will be settled by the Governing Body who shall consider any suggestion as to the agenda that may be made by the Government of any of the Members or by any representative organization recognized for the purpose of Article 3.

ARTICLE 15. (401.)

The Director shall act as the Secretary of the Conference, and shall transmit the agenda so as to reach the Members four months before the meeting of the Conference, and, through them, the non-Government Delegates when appointed.

ARTICLE 16. (402.)

Any of the Governments of the Members may formally object to the inclusion of any item or items in the agenda. The grounds for such objection shall be set forth in a reasoned statement addressed to the Director, who shall circulate it to all the Members of the Permanent Organization.

Items to which such objection has been made shall not, however, be excluded from the agenda, if at the Conference a majority of two-thirds of the votes cast by the Delegates present is in favour of considering them.

If the Conference decides (otherwise than under the preceding paragraph) by two-thirds of the votes cast by the Delegates present that any subject shall be considered by the Conference, that subject shall be included in the agenda for the following meeting.

ARTICLE 17. (403.)

The Conference shall regulate its own procedure, shall elect its own President, and may appoint committees to consider and report on any matter.

Except as otherwise expressly provided in this part of the present Treaty, all matters shall be decided by a simple majority of the votes cast by the Delegates present.

The voting is void unless the total number of votes cast is equal to half the number of the Delegates attending the Conference.

ARTICLE 18. (404.)

The Conference may add to any committees which it appoints technical experts, who shall be assessors without power to vote.

ARTICLE 19. (405.)

When the Conference has decided on the adoption of proposals with regard to an item in the agenda, it will rest with the Conference to determine whether these proposals should take the form: (a) of a recommendation to be submitted to the Members for consideration with a view to effect being given to it by national legislation or otherwise, or (b) of a draft international convention for ratification by the Members.

In either case a majority of two-thirds of the votes cast by the Delegates present shall be necessary on the final vote for the adoption of the recommendation or draft convention, as the case may be, by the Conference.

In framing any recommendation or draft convention of general application, the Conference shall have due regard to those countries in which climatic conditions, the

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imperfect development of industrial organization, or other special circumstances make the industrial conditions substantially different, and shall suggest the modifications, if any, which it considers may be required to meet the case of such countries.

A copy of the recommendation or draft convention shall be authenticated by the signature of the President of the Conference and of the Director, and shall be deposited with the Secretary-General of the League of Nations. The Secretary-General will communicate a certified copy of the recommendation or draft convention to each of the Members.

Each of the Members undertakes that it will, within the period of one year at most from the closing of the session of the Conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than 18 months from the closing of the session of the Conference, bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action.

In the case of a recommendation, the Members will inform the Secretary-General of the action taken.

In the case of a draft convention, the Member will, if it obtains the consent of the authority or authorities within whose competence the matter lies, communicate the formal ratification of the convention to the Secretary-General and will take such action as may be necessary to make effective the provisions of such convention.

If on a recommendation no legislative or other action is taken to make a recommendation effective, or if the draft convention fails to obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the Member.

In the case of a federal State, the power of which to enter into conventions on labour matters is subject to limitations, it shall be in the discretion of that Government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this article with respect to recommendations shall apply in such case.

The above article shall be interpreted in accordance with the following principle:—

In no case shall any Member be asked or required, as a result of the adoption of any recommendation or draft convention by the Conference, to lessen the protection afforded by its existing legislation to the workers concerned.

ARTICLE 20. (406.)

Any convention so ratified shall be registered by the Secretary-General of the League of Nations, but shall only be binding upon the Members which ratify it.

ARTICLE 21. (407.)

If any convention coming before the Conference for final consideration fails to secure the support of two-thirds of the votes cast by the Delegates present, it shall nevertheless be within the right of any of the Members of the Permanent Organization to agree to such convention among themselves.

Any convention so agreed to shall be communicated by the Governments concerned to the Secretary-General of the League of Nations, who shall register it.

ARTICLE 22. (408.)

Each of the Members agrees to make an annual report to the International Labour Office on the measures which it has taken to give effect to the provisions of conventions

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to which it is a party. These reports shall be made in such form and shall contain such particulars as the Governing Body may request. The Director shall lay a summary of these reports before the next meeting of the Conference.

ARTICLE 23. (409.)

In the event of any representation being made to the International Labour Office by an industrial association of employers or of workers that any of the Members has failed to secure in any respect the effective observance within its jurisdiction of any convention to which it is a party, the Governing Body may communicate this representation to the Government against which it is made and may invite that Government to make such statement on the subject as it may think fit.

ARTICLE 24. (410.)

If no statement is received within a reasonable time from the Government in question, or if the statement when received is not deemed to be satisfactory by the Governing Body, the latter shall have the right to publish the representation and the statement, if any, made in reply to it.

ARTICLE 25. (411.)

Any of the Members shall have the right to file a complaint with the International Labour Office if it is not satisfied that any other Member is securing the effective observance of any convention which both have ratified in accordance with the foregoing articles.

The Governing Body may, if it thinks fit, before referring such a complaint to a Commission of Inquiry, as hereinafter provided for, communicate with the Government in question in the manner described in Article 23.

If the Governing Body does not think it necessary to communicate the complaint to the Government in question, or if, when they have made such communication, no statement in reply has been received within a reasonable time which the Governing Body considers to be satisfactory, the Governing Body may apply for the appointment of a Commission of Inquiry to consider the complaint and to report thereon.

The Governing Body may adopt the same procedure either of its own motion or on receipt of a complaint from a Delegate to the Conference.

When any matter arising out of Article 24 or 25 is being considered by the Governing Body, the Government in question shall, if not already represented thereon, be entitled to send a representative to take part in the proceedings of the Governing Body while the matter is under consideration. Adequate notice of the date on which the matter will be considered shall be given to the Government in question.

ARTICLE 26. (412.)

The Commission of Inquiry shall be constituted in accordance with the following provisions:—

Each of the Members agrees to nominate within six months of the date on which the present Treaty comes into force three persons of industrial experience, of whom one shall be a representative of employers, one a representative of workers, and one a person of independent standing, who shall together form a panel from which the members of the Commission of Inquiry shall be drawn.

The qualifications of the persons so nominated shall be subject to scrutiny by the Governing Body, which may by two-thirds of the votes cast by the representatives present refuse to accept the nomination of any person whose qualifications do not in its opinion comply with the requirements of the present article.

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Upon the application of the Governing Body, the Secretary-General of the League of Nations shall nominate three persons, one from each section of this panel, to constitute the Commission of Inquiry, and shall designate one of them as the President of the Commission. None of these three persons shall be a person nominated to the panel by any Member directly concerned in the complaint.

ARTICLE 27. (413.)

The Members agree that, in the event of the reference of a complaint to a Commission of Inquiry under Article 25, they will each, whether directly concerned in the complaint or not, place at the disposal of the Commission all the information in their possession which bears upon the subject-matter of the complaint.

ARTICLE 28. (414.)

When the Commission of Inquiry has fully considered the complaint, it shall prepare a report embodying its findings on all questions relevant to determining the issue between the parties and containing such recommendations as it may think proper as to the steps which should be taken to meet the complaint and the time within which they should be taken.

It shall also indicate in this report the measures, if any, of an economic character against a defaulting Government which it considers to be appropriate, and which it considers other Governments would be justified in adopting.

ARTICLE 29. (415.)

The Secretary-General of the League of Nations shall communicate the report of the Commission of Inquiry to each of the Governments concerned in the complaint, and shall cause it to be published.

Each of these Governments shall within one month inform the Secretary-General of the League of Nations whether or not it accepts the recommendations contained in the report of the Commission; and if not, whether it proposes to refer the complaint to the Permanent Court of International Justice of the League of Nations.

ARTICLE 30. (416.)

In the event of any Member failing to take action required by Article 19, with regard to a recommendation or draft Convention, any other Member shall be entitled to refer the matter to the Permanent Court of International Justice.

ARTICLE 31. (417.)

The decision of the Permanent Court of International Justice in regard to a complaint or matter which has been referred to it in pursuance of Article 29 or Article 30 shall be final.

ARTICLE 32. (418.)

The Permanent Court of International Justice may affirm, vary or reverse any of the findings or recommendations of the Commission of Inquiry, if any, and shall in its decision indicate the measures, if any, of an economic character which it considers to be appropriate, and which other Governments would be justified in adopting against a defaulting Government.

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ARTICLE 33. (419.)

In the event of any Member failing to carry out within the time specified the recommendations, if any, contained in the report of the Commission of Inquiry, or in the decision of the Permanent Court of International Justice, as the case may be, any other Member may take against that Member the measures of an economic character indicated in the report of the Commission or in the decision of the Court as appropriate to the case.

ARTICLE 34. (420.)

The defaulting Government may at any time inform the Governing Body that it has taken the steps necessary to comply with the recommendations of the Commission of Inquiry or with those in the decision of the Permanent Court of International Justice, as the case may be, and may request it to apply to the Secretary-General of the League to constitute a Commission of Inquiry to verify its contention. In this case the provisions of Articles 26, 27, 28, 29, 31 and 32 shall apply, and if the report of the Commission of Inquiry or the decision of the Permanent Court of International Justice is in favour of the defaulting Government, the other Governments shall forthwith discontinue the measures of an economic character that they have taken against the defaulting Government.

Chapter III.—General.

ARTICLE 35. (421.)

The Members engage to apply conventions which they have ratified in accordance with the provisions of this part of the present Treaty to their colonies, protectorates and possessions, which are not fully self-governing:—

1. Except where owing to the local conditions the convention is inapplicable, or
2. Subject to such modifications as may be necessary to adapt the convention to local conditions.

And each of the Members shall notify to the International Labour Office the action taken in respect of each of its colonies, protectorates and possessions which are not fully self-governing.

ARTICLE 36. (422.)

Amendments to this part of the present Treaty which are adopted by the Conference by a majority of two-thirds of the votes cast by the Delegates present shall take effect when ratified by the States whose representatives compose the Council of the League of Nations and by three-fourths of the Members.

ARTICLE 37. (423.)

Any question or dispute relating to the interpretation of this part of the present Treaty or of any subsequent Convention concluded by the Members in pursuance of the provisions of this part of the present Treaty shall be referred for decision to the Permanent Court of International Justice.

Chapter IV.—Transitory Provisions.

ARTICLE 38. (424.)

The first meeting of the Conference shall take place in October, 1919. The place and agenda for this meeting shall be as specified in the Annex hereto.

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Arrangements for the convening and the organization of the first meeting for the Conference will be made by the Government designated for the purpose in the said Annex. That Government shall be assisted in the preparation of the documents for submission to the Conference by an International Committee constituted as provided in the said Annex.

The expenses of the first meeting and of all subsequent meetings held before the League of Nations has been able to establish a general fund, other than the expenses of Delegates and their advisers, will be borne by the Members in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union.

ARTICLE 39. (425.)

Until the League of Nations has been constituted all communications which under the provisions of the foregoing articles should be addressed to the Secretary-General of the League will be preserved by the Director of the International Labour Office, who will transmit them to the Secretary-General of the League.

ARTICLE 40. (426.)

Pending the creation of a Permanent Court of International Justice, disputes which in accordance with this part of the present Treaty would be submitted to it for decision will be referred to a tribunal of three persons appointed by the Council of the League of Nations.

Annex.—First Meeting of Annual Labour Conference, 1919.

The place of meeting will be Washington.

The Government of the United States of America is requested to convene the Conference.

The International Organizing Committee will consist of seven members, appointed by the United States of America, Great Britain, France, Italy, Japan, Belgium and Switzerland. The Committee may, if it thinks necessary, invite other Members to appoint representatives.

Agenda—

1. Application of principle of the 8-hour day or of the 48-hour week.
2. Question of preventing or providing against unemployment.
3. Women's employment—
 - (a) Before and after child-birth, including the question of maternity benefit.
 - (b) During the night.
 - (c) In unhealthy processes.
4. Employment of children—
 - (a) Minimum age of employment.
 - (b) During the night.
 - (c) In unhealthy processes.
5. Extension and application of the International Conventions adopted at Berne in 1906 on the prohibition of night work for women employed in industry and the prohibition of the use of white phosphorus in the manufacture of matches.

Section II.—General Principles.

ARTICLE 427.

The High Contracting Parties, recognizing that the well-being, physical, moral, and intellectual, of industrial wage-earners is of supreme international importance, have framed in order to further this great end the permanent machinery provided for in Section I, and associated with that of the League of Nations.

They recognize that differences of climate, habits and customs, of economic opportunity and industrial tradition, make strict uniformity in the conditions of labour difficult of immediate attainment. But holding, as they do, that labour should not be regarded merely as an article of commerce, they think that there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply so far as their special circumstances will permit.

Among these methods and principles, the following seem to the High Contracting Parties to be of special and urgent importance:—

First.—The guiding principle above enunciated that labour should not be regarded merely as a commodity or article of commerce.

Second.—The right of association for all lawful purposes by the employed as well as by the employers.

Third.—The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.

Fourth.—The adoption of an eight hours' day or a forty-eight hours' week as the standard to be aimed at where it has not already been attained.

Fifth.—The adoption of a weekly rest of at least twenty-four hours, which should include Sunday wherever practicable.

Sixth.—The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.

Seventh.—The principle that men and women should receive equal remuneration for work of equal value.

Eighth.—The standard set by law in each country with respect to the conditions of labour should have due regard to the equitable economic treatment of all workers lawfully resident therein.

Ninth.—Each State should make provision for a system of inspection in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the employed.

Without claiming that these methods and principles are either complete or final, the High Contracting Parties are of opinion that they are well fitted to guide the policy of the League of Nations; and that, if adopted by the industrial communities who are members of the League, and safeguarded in practice by an adequate system of such inspection, they will confer lasting benefits upon the wage-earners of the world.

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5. RESOLUTIONS ADOPTED BY THE COMMISSION.

I.—*Resolutions proposed by the Belgian, French and Italian Delegations.*

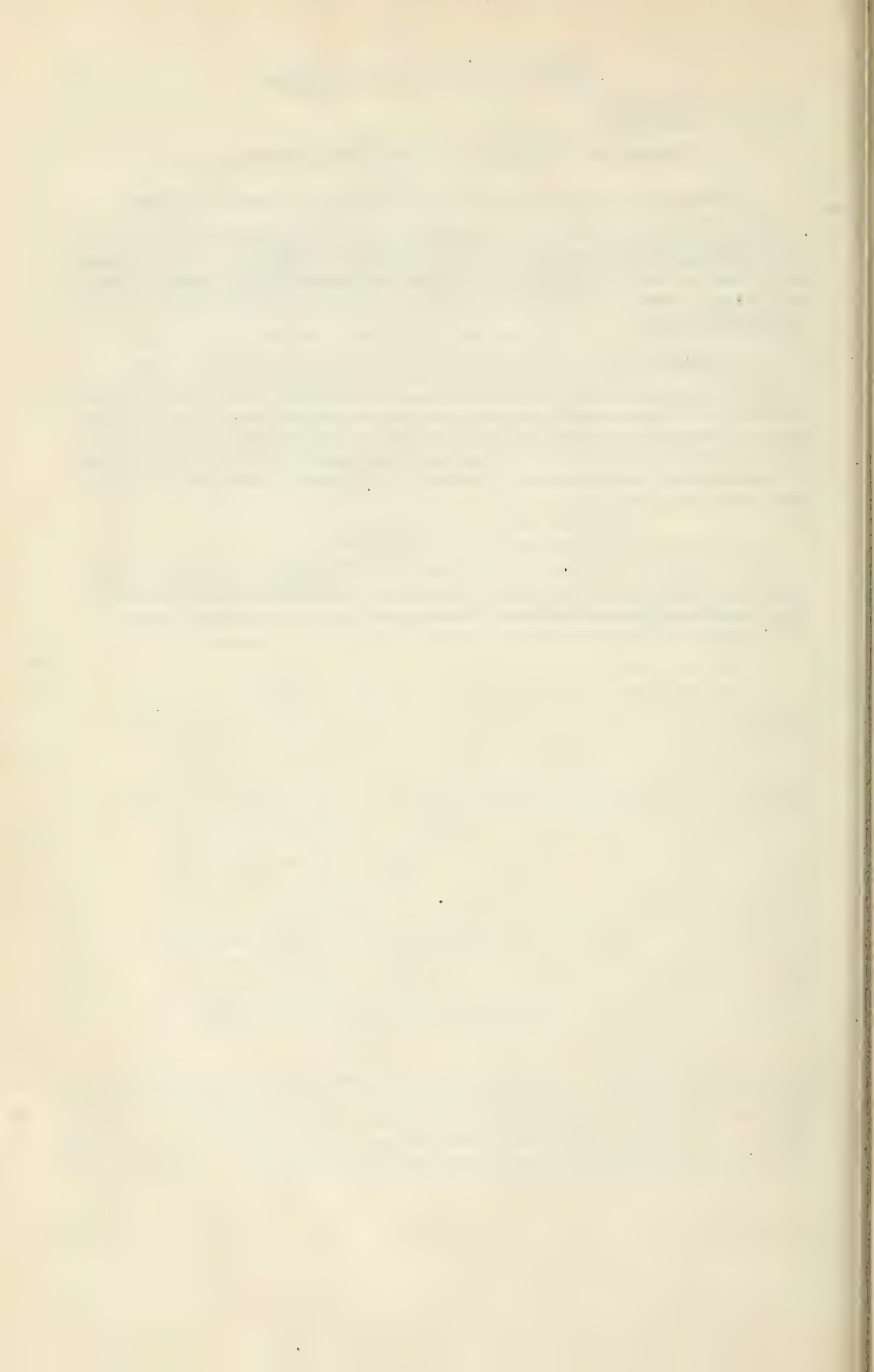
The Commission expresses the hope that as soon as it may be possible an agreement will be arrived at between the High Contracting Parties with a view to endowing the International Labour Conference under the auspices of the League of Nations with power to take, under conditions to be determined, resolutions possessing the force of international law.

II.—*Resolution proposed by the Belgian, French and Italian Delegations.*

The Commission, being of opinion that an international code of Labour legislation which will be really effective cannot be secured without the co-operation of all industrial countries, expresses the wish that pending the signature of the Treaty of Peace, which will permit all such countries to be approached, the Peace Conference will communicate the present draft Convention to the neutral powers for their information before finally adopting it.

III.—*Resolution proposed by the French Delegation.*

The Commission considers that the very special questions concerning the minimum conditions to be accorded to seamen might be dealt with at a special meeting of the International Labour Conference devoted exclusively to the affairs of seamen.



Correspondence and Documents Relative to the Representation of Canada at the Peace Conference and to the Ratification of the Treaty of Peace with Germany.

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CORRESPONDENCE BETWEEN THE PRIME MINISTER OF CANADA AND THE PRIME MINISTER OF THE UNITED KINGDOM RESPECTING THE REPRESENTATION OF CANADA AT THE PEACE CONFERENCE, 27TH OCTOBER, 1918 TO 3RD NOVEMBER, 1918.

Telegram from the Prime Minister of the United Kingdom to the Prime Minister of Canada.

LONDON, October 27th, 1918.

SIR ROBERT BORDEN,
Ottawa.

27th October, 1918. I think that you ought to be prepared to start without delay for Europe, if the Germans accept the terms of the armistice which we shall propose after our meeting at Versailles this week, as the Peace Conference will in that event probably open within a few weeks, and this will have to be preceded by inter-allied conferences of at least equal importance. It is, I think, very important that you should be here in order to participate in the deliberations which will determine the line to be taken at these conferences by the British delegates.

LLOYD GEORGE.

Telegram from the Prime Minister of Canada to the Prime Minister of the United Kingdom.

OTTAWA, 29th October, 1918.

RT. HON. DAVID LLOYD GEORGE,
10 Downing Street,
London.

October 29th. There is need of serious consideration as to representation of the Dominions in the peace negotiations. The press and people of this country take it for granted that Canada will be represented at the Peace Conference. I appreciate possible difficulties as to representation of the Dominions, but I hope you will keep in mind that certainly a very unfortunate impression would be created and possibly a dangerous feeling might be aroused if these difficulties are not overcome by some solution which will meet the national spirit of the Canadian people. We discussed the subject to-day in Council and I found among my colleagues a striking insistence which doubtless is indicative of the general opinion entertained in this country. In a word, they feel that new conditions must be met by new precedents. I should be glad to have your views.

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Telegram from the Prime Minister of the United Kingdom to the Prime Minister of Canada.

LONDON, November 3, 1918.

SIR ROBERT BORDEN,
Ottawa.

3rd November. Your telegram reached me while in Paris. I fully understand the importance of the question that you raise. It makes me impressed all the more with the importance of your coming immediately to Europe, for practically it is impossible to solve by correspondence the many difficult problems which it raises and which you fully appreciate. Also on many questions now coming under consideration I should value your advice greatly. It will, I earnestly hope, be possible for you to sail at once.

D. LLOYD GEORGE.

CORRESPONDENCE BETWEEN THE ACTING PRIME MINISTER IN OTTAWA AND SIR ROBERT BORDEN IN LONDON RESPECTING THE REPRESENTATION OF CANADA AT THE PEACE CONFERENCE, DECEMBER 4, 1918, TO JANUARY 4, 1919.

Telegram, dated December 4, 1918, from the Acting Prime Minister, Ottawa, to Sir Robert Borden, London.

Council to-day further considered Canadian representation at Peace Conference and is even more strongly of opinion than when you left, that Canada should be represented. Council is of opinion that in view of war efforts of Dominion other nations entitled to representation at Conference should recognize unique character of British Commonwealth composed of group of free nations under one sovereign and that provision should be made for special representation of these nations at Conference, even though it may be necessary that in any final decisions reached they should speak with one voice; that if this is not possible then you should form one of whatever delegation represents British Commonwealth. It surely is not contemplated that each nation at war should have exactly same numerical representation as Great Britain and France. Should not representation be to some extent commensurate with war efforts? Would you like Order in Council passed or any other official action taken declaring attitude of Government on question of Canadian representation at Conference? If so, please cable.

Telegram, dated London, January 2, 1919, from Sir Robert Borden to the Acting Prime Minister, Ottawa.

In Cabinet to-day I took up question of representation of the Dominion and spoke very frankly and firmly as to Canada's attitude. My proposal which I consider the most satisfactory solution that is practicable and which was accepted by the Cabinet is as follows:—

First, Canada and the other Dominions shall each have the same representation as Belgium and other small allied nations at the Peace Conference.

Second, as it is proposed to admit representatives of Belgium and other small allied nations only when their special interests are under consideration, I urged that some of the representatives of British Empire should be drawn from a panel on which each Dominion Prime Minister shall have a place.

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I pointed out that Canada has no special interest such as South Africa, Australia and New Zealand, in respect of additional territory and that the basis of representation accorded to small allied nations would, therefore, be unsatisfactory from Canadian point of view. I emphasized the insistence of Canada on this recognition and I urged that the British Empire has the right to define the constitutional relations between the nations which compose it and their consequent right to distinctive representation. It is anticipated that British Empire will have five representatives entitled to be present at all meetings of Conference. I expressed my strong opinion that it would be most unfortunate if these were all selected from the British Islands. Probably three will be named and two others selected from the panel for each meeting. The panel will comprise both British and Dominion Ministers. No public announcement can be made until these proposals have been communicated to Allied Governments and accepted. I shall be glad to have views of Council. My proposal really gives to Dominions fuller representation than that accorded to small allied nations such as Belgium.

Telegram, dated Ottawa, January 4, 1919, from the Acting Prime Minister to Sir Robert Borden.

If Peace Conference in its composition is to express spirit of democracy for which we have been fighting, as Council thinks it should, small allied nations like Belgium which have fought with us throughout war should be entitled to representation throughout whole Conference, even if limited to one member, and if this were agreed proposal that Canada should have same representation as Belgium, and other small allied nations, would be satisfactory, but not otherwise. Canada has had as many casualties as the United States and probably more actual deaths. Canadian people would not appreciate five American delegates throughout the whole Conference and no Canadian entitled to sit throughout Conference, nor would they appreciate several representatives from Great Britain and Canada none. There will be great disappointment here if you are not full member of Conference. We fully appreciate that you are doing everything in your power to secure suitable representation for Canada.

Telegram, dated Ottawa, January 16, 1919, from Acting Prime Minister to Sir Robert Borden (in Paris).

Announcement as to Canadian representation at Peace Conference most favourably received. Hearty congratulations on success of your efforts in this regard.

RULES OF THE CONFERENCE, ANNEX II TO PROTOCOL No 1 OF THE PRELIMINARY PEACE CONFERENCE, JANUARY 18, 1919.

Annex II.

RULES OF THE CONFERENCE.

I.

The Conference summoned with a view to lay down the conditions of peace, in the first place by peace preliminaries and later by a definite Treaty of Peace shall include the representatives of the Allied or Associated belligerent Powers.

The belligerent Powers with general interests (the United States of America, the British Empire, France, Italy, Japan) shall attend all sessions and commissions.

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The belligerent Powers with special interests (Belgium, Brazil, the British Dominions and India, China, Cuba, Greece, Guatemala, Hayti, the Hedjaz, Honduras, Liberia, Nicaragua, Panama, Poland, Portugal, Roumania, Serbia, Siam, the Czecho-Slovak Republic) shall attend the sessions at which questions concerning them are discussed.

Powers having broken off diplomatic relations with the enemy powers (Bolivia, Ecuador, Peru, Uruguay) shall attend sessions at which questions interesting them will be discussed.

Neutral Powers and States in process of formation shall, on being summoned by the Powers with general interests, be heard, either orally or in writing, at sessions devoted especially to the examination of questions in which they are directly concerned, and only in so far as those questions are concerned.

II.

The Powers shall be represented by Plenipotentiary Delegates to the number of—
Five for the United States of America, the British Empire, France, Italy, Japan;
Three for Belgium, Brazil, Serbia;

Two for China, Greece, the Hedjaz, Poland, Portugal, Roumania, Siam, the Czecho-Slovak Republic;

One for Cuba, Guatemala, Hayti, Honduras, Liberia, Nicaragua, Panama;

One for Bolivia, Ecuador, Peru, Uruguay.

The British Dominions and India shall be represented as follows:—

Two Delegates each for Canada, Australia, South Africa, India (including the native States);

One Delegate for New Zealand.

Each Delegation shall be entitled to set up a panel, but the number of Plenipotentiaries shall not exceed the figures given above.

The representatives of the Dominions (including Newfoundland), and of India can, moreover be included in the representation of the British Empire by means of the panel system.

Montenegro shall be represented by one Delegate, but the manner of his appointment shall not be decided until the present political situation of that country becomes clear.

The conditions governing the representation of Russia shall be settled by the Conference when Russian affairs come up for discussion.

III.

Each Delegation of Plenipotentiaries may be accompanied by duly accredited Technical Delegates and by two shorthand writers.

The Technical Delegates may attend sessions in order to supply information when called upon. They may be asked to speak in order to give necessary explanations.

IV.

The order of precedence shall follow the alphabetical order of the Powers in French.

V.

The Conference shall be opened by the President of the French Republic. The President of the French Council of Ministers shall thereupon provisionally take the chair.

The credentials of members present shall at once be examined by a Committee composed of one Plenipotentiary for each of the Allied or Associated Powers.

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VI.

At the first meeting the permanent President and four Vice-Presidents shall be elected from among the Plenipotentiaries of the Great Powers in alphabetical order.

VII.

A Secretariat chosen outside the ranks of the Plenipotentiaries, consisting of one representative each of the United States of America, the British Empire, France, Italy and Japan, shall be submitted for the approval of the Conference by the President, who shall be in control of and responsible for it.

The Secretariat shall draw up the protocols of the sessions, classify the archives, provide for the administrative organization of the Conference, and, generally, ensure the regular and punctual working of the services entrusted to it.

The head of the Secretariat shall be responsible for the safe custody of the protocols and archives.

The archives shall be accessible at all times to members of the Conference.

VIII.

Publicity shall be given to the proceedings by means of official *communiqués* prepared by the Secretariat and made public. In case of disagreement as to the wording of such *communiqués*, the matter shall be referred to the Chief Plenipotentiaries or their representatives.

IX.

All documents to be incorporated in the protocols must be supplied in writing by the Plenipotentiaries originally responsible for them.

No document or proposal may be so supplied except by a Plenipotentiary or in his name.

X.

With a view to facilitate discussion, any Plenipotentiary wishing to propose a resolution must give the President twenty-four hours' notice thereof, except in the case of proposals connected with the order of the day and arising from the actual discussion.

Exceptions may, however, be made to this rule in the case of amendments or secondary questions which do not constitute actual proposals.

XI.

All petitions, memoranda, observations and documents addressed to the Conference by any persons other than the Plenipotentiaries must be received and classified by the Secretariat.

Such of these communications as are of any political interest shall be briefly summarized in a list circulated to all the Plenipotentiaries. Supplementary editions of this list shall be issued as such communications are received.

All these documents shall be deposited in the archives.

XII.

All questions to be decided shall be discussed at a first and second reading; the former shall afford occasion for a general discussion for the purpose of arriving at an agreement on points of principle; the second reading shall provide an opportunity of discussing details.

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XIII.

The Plenipotentiaries shall be entitled, subject to the approval of the Conference, to authorize their Technical Delegates to submit direct any technical explanations considered desirable regarding any particular question.

If the Conference shall think fit, the study of any particular question from the technical point of view may be entrusted to a Committee composed of Technical Delegates, who shall be instructed to present a report and suggest solutions.

XIV.

The protocols drawn up by the Secretariat shall be printed and circulated in proof to the Delegates with the least possible delay.

To save time, this circulation of the protocols in advance shall take the place of reading them at the beginning of the sessions. Should no alterations be demanded by the Plenipotentiaries, the text shall be considered as approved and deposited in the archives.

Should any alteration be called for, it shall be read aloud by the President at the beginning of the following session.

The whole of the protocol shall, however, be read if one of the Plenipotentiary members shall so request.

XV.

A Committee shall be formed to draft the motions adopted.

This Committee shall deal only with questions which have been decided; its sole task shall be to draw up the text of the decisions adopted and to present them to the Conference for approval.

It shall consist of five members who shall not be Plenipotentiary Delegates and shall comprise one representative each of the United States of America, the British Empire, France, Italy and Japan.

BRITISH EMPIRE DELEGATION.—THE DOMINIONS AS PARTIES AND
SIGNATORIES TO THE VARIOUS PEACE TREATIES.

Memorandum circulated by Sir Robert Borden on behalf of the Dominion Prime Ministers.

(1) The Dominion Prime Ministers, after careful consideration, have reached the conclusion that all the treaties and conventions resulting from the Peace Conference should be so drafted as to enable the Dominions to become Parties and Signatories thereto. This procedure will give suitable recognition to the part played at the Peace Table by the British Commonwealth as a whole and will at the same time record the status attained there by the Dominions.

(2) The procedure is in consonance with the principles of constitutional government that obtain throughout the Empire. The Crown is the supreme executive in the United Kingdom and in all the Dominions, but it acts on the advice of different Ministries within different constitutional units; and under Resolution IX of the Imperial War Conference, 1917, the organization of the Empire is to be based upon equality of nationhood.

(3) Having regard to the high objects of the Peace Conference, it is also desirable that the settlements reached should be presented at once to the world in the character of universally accepted agreements, so far as this is consistent with the constitution of each State represented. This object would not be achieved if the practice heretofore followed of merely inserting in the body of the convention an

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express reservation providing for the adhesion of the Dominions were adopted in these treaties; and the Dominions would not wish to give even the appearance of weakening this character of the peace.

(4) On the constitutional point, it is assumed that each treaty or convention will include clauses providing for ratification similar to those in the Hague Convention of 1907. Such clauses will, under the procedure proposed, have the effect of reserving to the Dominion Governments and legislatures the same power of review as is provided in the case of other contracting parties.

(5) It is conceived that this proposal can be carried out with but slight alterations of previous treaty forms. Thus:—

(a) The usual recital of Heads of State in the Preamble needs no alteration whatever, since the Dominions are adequately included in the present formal description of the King, namely, "His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India."

(b) The recital in the Preamble of the names of the Plenipotentiaries appointed by the High Contracting Parties for the purpose of concluding the treaty would include the names of the Dominion Plenipotentiaries immediately after the names of the Plenipotentiaries appointed by the United Kingdom. Under the general heading "The British Empire" the sub-headings "the United Kingdom," "The Dominion of Canada," "The Commonwealth of Australia," "the Union of South Africa," etc., would be used as headings to distinguish the various plenipotentiaries.

(c) It would then follow that the Dominion Plenipotentiaries would sign according to the same scheme.

(6) The Dominion Prime Ministers consider, therefore, that it should be made an instruction to the British member of the Drafting Commission of the Peace Conference that all treaties should be drawn according to the above proposal.

Hotel la Perouse,
Paris.
12th March, 1919.

ORDER IN COUNCIL OF APRIL 10, 1919, AUTHORIZING ISSUANCE OF
FULL POWERS TO CANADIAN PLENIPOTENTIARY DELEGATES.

AT THE GOVERNMENT HOUSE AT OTTAWA.

P.C. 800.

Thursday, the 10th day of April, 1919.

PRESENT:

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL.

His Excellency the Governor General in Council, on a report from the Acting Secretary of State for External Affairs, stating that it is expedient, in connection with the Peace Congress, to invest fit persons with full powers to treat on the part of His Majesty the King in respect of the Dominion of Canada with persons similarly empowered on the part of other States, is pleased to order and doth hereby order that

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His Majesty the King be humbly moved to issue letters patent to each of the following named persons:—

The Right Honourable Sir Robert Laird Borden, a member of His Majesty's Most Honourable Privy Council, G.C.M.G., K.C., M.P., Prime Minister of the Dominion of Canada;

The Right Honourable Sir George Eulas Foster, a member of His Majesty's Most Honourable Privy Council, G.C.M.G., M.P., Minister of Trade and Commerce of the Dominion of Canada;

The Honourable Arthur Lewis Sifton, K.C., M.P., Minister of Customs and Inland Revenue of the Dominion of Canada;

The Honourable Charles Joseph Doherty, K.C., M.P., Minister of Justice of the Dominion of Canada;

naming and appointing him as Commissioner and Plenipotentiary in respect of the Dominion of Canada, with full power and authority as from the first day of January, 1919, to conclude with such plenipotentiaries as may be vested with similar power and authority on the part of any powers or states, any treaties, conventions or agreements in connection with the said Peace Congress, and to sign for and in the name of His Majesty the King in respect of the Dominion of Canada everything so agreed upon and concluded and to transact all such other matters as may appertain thereto.

RODOLPHE BOUDREAU,

Clerk of the Privy Council.

LETTER FROM PRIME MINISTER OF CANADA TO PRIME MINISTER OF UNITED KINGDOM, DATED PARIS, APRIL 16, 1919, RESPECTING ISSUANCE OF FULL POWERS TO CANADIAN PLENIPOTENTIARY DELEGATES.

P.C. File No. 13.

BRITISH DELEGATION,

PARIS, April 16, 1919.

Dear Mr. LLOYD GEORGE,—I enclose a copy of a telegram which I sent on the 9th instant to the Acting Prime Minister at Ottawa, respecting the authority for the issuance of Full Powers to the Canadian Plenipotentiaries. We considered that Full Powers issued by the King should be based upon formal action by the Canadian Government; and accordingly the Order in Council proposed in the telegram has been passed.

A certified copy of the Order in Council will be sent from Ottawa to His Majesty's Government at London. When it reaches the Foreign Office some appropriate step should be taken to link it up with the Full Powers issued by the King to the Canadian plenipotentiaries and with the papers connected therewith, in order that it may formally appear in the records that these Full Powers were issued on the responsibility of the Canadian Government.

Yours faithfully,

(Sgd.) R. L. BORDEN.

The Right Hon. D. LLOYD GEORGE, M.P.,
Prime Minister and First Lord of the Treasury,
British Delegation, Paris.

SESSIONAL PAPER No. 41j

[Enclosure in letter of April 16, 1919, from Sir Robert Borden to Mr. Lloyd George.]

Copy of Telegram, dated April 9, 1919, from Sir Robert Borden to Acting Prime Minister, Ottawa.

The treaties concluded at the Peace Conference will be signed in respect of Canada by Canadian plenipotentiaries. Under international practice their Full Powers are issued by the King, but such issuance should be based upon formal action by Canadian Government authorizing it. Order in Council should therefore be passed at once and cabled as well as mailed to Colonial Secretary. In order to provide for any eventuality, such as return of one or more of us before signature takes place, Full Powers should be issued to each Minister here. Order in Council should be in following terms which have been drawn up in conformity with terms of Full Powers usually issued. Begins:—

“Whereas in connection with the Peace Congress it is expedient to invest fit persons with full powers to treat on the part of His Majesty the King, in respect of the Dominion of Canada, with persons similarly empowered on the part of other States;

Therefore His Excellency the Governor in Council, on the recommendation of the Secretary of State for External Affairs, is pleased to order and doth hereby order that His Majesty the King be humbly moved to issue Letters Patent to each of the following named persons:—

The Right Honourable Sir Robert Laird Borden, P.C., G.C.M.G., K.C., M.P., Prime Minister of the Dominion of Canada.

The Right Honourable Sir George Eulas Foster, P.C., G.C.M.G., M.P., Minister of Trade and Commerce of the Dominion of Canada.

The Honourable Arthur Lewis Sifton, K.C., M.P., Minister of Customs of the Dominion of Canada.

The Honourable Charles Joseph Doherty, K.C., M.P., Minister of Justice of the Dominion of Canada.

naming and appointing him as Commissioner and Plenipotentiary in respect of the Dominion of Canada with Full Power and Authority as from the first day of January, nineteen hundred and nineteen, to conclude with such Plenipotentiaries as may be vested with similar Powers and Authority on the part of any Powers or States any Treaties, Conventions, or Agreements in connection with the said Peace Congress, and to sign for and in the name of His Majesty the King, in respect of the Dominion of Canada, everything so agreed upon and concluded, and to transact all such other matters as may appertain thereto.”

FULL POWERS ISSUED TO CANADIAN PLENIPOTENTIARY.

(Sgd.) GEORGE R.I.

George, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India, etc., etc., etc. To all and singular to whom these Presents shall come, Greeting!

Whereas for the better treating of and arranging certain matters which are now in discussion, or which may come into discussion between Us and the Powers and States in connection with the forthcoming Peace Congress,

We have judged it expedient to invest fit person with full Power, to conduct the said discussion on Our Part in respect of Our Dominion of Canada: Know ye, therefore, that We, reposing especial Trust and Confidence in the Wisdom, Loyalty, Diligence, and Circumspection, of our Right Trusty and well-beloved Councillor Sir

10 GEORGE V, A. 1919

Robert Laird Borden, Knight Grand Cross of our Most Distinguished Order of St. Michael and St. George, one of our Counsel learned in the law, etc., etc., Member of the Parliament of Canada, Prime Minister of the Dominion of Canada, have named, made, constituted and appointed, as We do by these Presents name, make, constitute and appoint him, Our Undoubted Commissioner, Procurator, and Plenipotentiary, in respect of Our Dominion of Canada; Giving to him all manner of Power and Authority to treat, adjust, and conclude with such Ministers, Commissioners, or Plenipotentiaries, as may be vested with similar Power and Authority on the part of any Powers or States as aforesaid, any Treaties, Conventions, or Agreements that may tend to the attainment of the above-mentioned end, and to sign for Us and in Our Name in respect of Our Dominion of Canada everything so agreed upon and concluded, and to do and transact all such other matters as may appertain thereto, in as ample manner and form, and with equal force and efficacy as We Ourselves could do, if personally present.

Engaging and Promising, upon Our Royal Word, that whatever things shall be so transacted and concluded by Our said Commissioner, Procurator, and Plenipotentiary in respect of our Dominion of Canada, shall, subject if necessary to Our Approval and Ratification, be agreed to, acknowledged and accepted by Us in the fullest manner, and that We will never suffer either in the whole or in part any person whatsoever to infringe the same, or act contrary thereto, as far as it lies in Our Power.

In witness whereof We have caused the Great Seal of Our United Kingdom of Great Britain and Ireland to be affixed to these Presents, which We have signed with Our Royal Hand.

Given at Our Court of St. James, the first day of January, in the Year of Our Lord, One Thousand Nine Hundred and Nineteen and in the Ninth Year of Our Reign.

CORRESPONDENCE BETWEEN THE GOVERNMENT OF CANADA AND
THE GOVERNMENT OF THE UNITED KINGDOM RESPECTING THE
RATIFICATION OF THE TREATY OF PEACE WITH GERMANY,
JULY 4, 1919, TO SEPTEMBER 19, 1919.

Telegram from the Secretary of State for the Colonies to the Governor General.

LONDON, July 4th, 1919.

It is hoped German treaty may be ratified by three of the Principal Allied and Associated Powers and by Germany before end of July.

Telegram from the Governor General to the Secretary of State for the Colonies.

OTTAWA, July 9th, 1919.

Following from Prime Minister. Your message July 4th respecting ratification of Peace Treaty with Germany. I am under pledge to submit the Treaty to Parliament before ratification on behalf of Canada. No copy of Treaty has yet arrived and Parliament has been prorogued. Kindly advise how you expect to accomplish ratification on behalf of whole Empire before end July.

SESSIONAL PAPER No. 41j

Telegram from the Secretary of State for the Colonies to the Governor General.

LONDON, July 23, 1919.

Following for your Prime Minister. Begins:

I have now consulted with Prime Minister and the Cabinet with reference to your most secret telegram of July 9. Our view is that early ratification, especially now that Germany has ratified, is of the highest importance. In the British constitution there is nothing which makes it necessary for the King to obtain the consent of Parliament before ratifying Treaty. With perfect constitutional propriety the King can ratify on the advice of his Ministers. For a treaty of this far-reaching importance, and one embracing the whole Empire, the King certainly ought only to act at the instance of all his constitutional advisers—the Dominion Ministries as well as that of the United Kingdom. But inasmuch as Dominion Ministers participated in peace negotiations, and side by side with Ministers of the United Kingdom signed preliminaries of treaty, we hold that His Majesty if he now ratified the Treaty for the whole Empire would have the same constitutional justification in doing so in respect of Dominions as he has in respect of the United Kingdom. The King by a single act would bind the whole Empire, as it is right that he should so, but that act would represent the considered judgment of his constitutional advisers in all self-governing States of the Empire, because it would be merely giving effect to an international pact which they had all agreed to.

We realize at the same time the difficulty in which you are placed by your pledge to Parliament. We are willing, in order to meet this difficulty, to delay ratification (which if we alone were concerned we should desire to effect immediately) as long as we possibly can in order to give you time to lay treaty before your Parliament. The question is how long will this take? At an early date could you not have a special meeting of Parliament, solely for the submission of the Treaty, and if so how soon might this approval be expected? It would be impossible in our opinion without the gravest consequence to delay ratification until the late autumn.

I am communicating with the Governments of South Africa, New Zealand and Australia explaining urgency, and begging them to submit treaty to their Parliaments without delay, if they feel bound to do so before assenting to its ratification. Ends.

(Sgd.) MILNER.

Telegram from the Governor General to the Secretary of State for the Colonies.

OTTAWA, July 29, 1919.

Following from my Prime Minister. Begins: Your secret telegram of July 23 has been carefully considered by Cabinet, and it seems to us that there is considerable doubt whether under modern constitutional practice the King should ratify without first obtaining the approval of Parliament. We think that in accordance with recent practice and authorities such approval should be obtained in the case of treaties imposing any burden on the people, or involving any change in the law of the land, or requiring legislative action to make them effective or affecting the free exercise of the legislative power, or affecting territorial rights.

On the other point we fully agree that the King in ratifying the treaty ought only to act at the instance of all his constitutional advisers throughout the Empire but we do not entirely understand the suggestion that in the case of the Dominions the signature of the Dominion plenipotentiaries is equivalent to the tendering of advice to ratify. Do you regard this as holding good in the case of the signature of United Kingdom plenipotentiaries?

We propose to call special session on September 4 for purpose of presenting treaty to Parliament, and I am confident we can ratify within a week thereafter. Please cable whether this meets your views.

10 GEORGE V, A. 1919

Telegram from the Governor General to the Secretary of State for the Colonies.

OTTAWA, August 1, 1919.

Following from my Prime Minister. Begins. As we have to give thirty days' notice of summoning Parliament I hope we have immediate reply to my telegram of July 29 respecting ratification of Peace Treaty.

Telegram from the Secretary of State for the Colonies to the Governor General.

LONDON, 2nd August, 1919.

Summoning of Parliament. I strongly advise your giving notice to summon immediately. In view of severe pressure being put upon us from Paris to ratify at earliest possible date, it is impossible to promise that we shall be able to keep back ratification till the eleventh of September. But I will certainly do my best, and I feel pretty confident that the argument for that amount of delay would be irresistible if we could count on Canadian approval by that date.

(Signed) MILNER.

Telegram from the Governor General to the Secretary of State for the Colonies.

OTTAWA, August 4, 1919.

Following message from Prime Minister for you. Your message reached me yesterday afternoon and this morning Parliament has been summoned for Monday, 1st September. I cannot emphasize too strongly the unfortunate results which would certainly ensue from ratification before Canadian Parliament has had an opportunity of considering Treaty.

Telegram from the Secretary of State for the Colonies to the Governor General.

LONDON, August 12, 1919.

Urgent.

Re your cypher telegram of August 4. The Government of Union of South Africa has convened special Session of Parliament to consider Peace Treaty with Germany. They are of opinion that it will be very desirable to secure uniformity in dealing with this question, and have asked me to submit suggestions as to form in which Peace Treaty should receive in Dominions Parliamentary approval, that is, whether motion should be submitted to Parliament for that purpose, or whether approval should take form of Bill on lines of that submitted to Parliament here. I have answered to the effect that matter is, of course, one for decision of local Government, but that best course, in my opinion, would be to obtain approval of Treaty by Resolution of both Houses and that if, as is probable, legislation on lines of British Bill is required in order to give effect to Treaty, this could follow later.

British Bill, it is important to bear in mind, is not a Bill to ratify Treaty, but to empower the Government to take necessary steps to carry out these provisions of Treaty which require legislative authority.

Paris is putting severe pressure upon us to ratify at the earliest possible date, and ratification by the French expected September 2nd or 3rd.

I should be grateful if you will inform me that procedure will be adopted by your Government. My reason for suggesting Resolution of both Houses is that this procedure might enable ratification to take place without the delay that might be involved in obtaining parliamentary powers for carrying out Treaty.

If, as I hope, procedure by resolution will be adopted, I assume that on receiving cable to the effect that such resolution has been passed, there will be no objection to His Majesty immediately ratifying.

Other Dominions I have telegraphed in the same sense.

(Sgd.) MILNER.

SESSIONAL PAPER No. 41j

Telegram from the Governor General to the Secretary of State for the Colonies.

OTTAWA, August 23, 1919.

Your telegram of August 12 respecting parliamentary approval of Treaty of Peace with Germany. Canadian Government propose to proceed by way of resolution of both Houses in order to expedite the matter. Legislation giving effect to the Treaty will be introduced later.

Telegram from the Governor General to the Secretary of State for the Colonies.

OTTAWA, 12th September, 1919.

Most urgent.

Following Order in Council approved to-day. Begins:—

At the GOVERNMENT HOUSE AT OTTAWA,

12th September, 1919.

PRESENT:

THE GOVERNOR GENERAL IN COUNCIL.

WHEREAS, at Versailles, on the twenty-eighth day of June, nineteen hundred and nineteen, a Treaty of Peace (including a protocol annexed thereto between the Allied and Associated Powers and Germany) was concluded and signed on behalf of His Majesty, for and in respect of the Dominion of Canada, by plenipotentiaries duly authorized for that purpose by His Majesty on the advice and recommendation of the Government of the Dominion of Canada.

AND WHEREAS the Senate and House of Commons of the Dominion of Canada have by resolution approved of the said Treaty of Peace;

AND WHEREAS it is expedient that the said Treaty of Peace be ratified by His Majesty for and in respect of the Dominion of Canada;

Now, therefore, the Governor General in Council, on the recommendation of the Secretary of State for External Affairs, is pleased to order and doth hereby order that His Majesty the King be humbly moved to approve, accept, confirm and ratify the said Treaty of Peace, for and in respect of the Dominion of Canada. Ends.

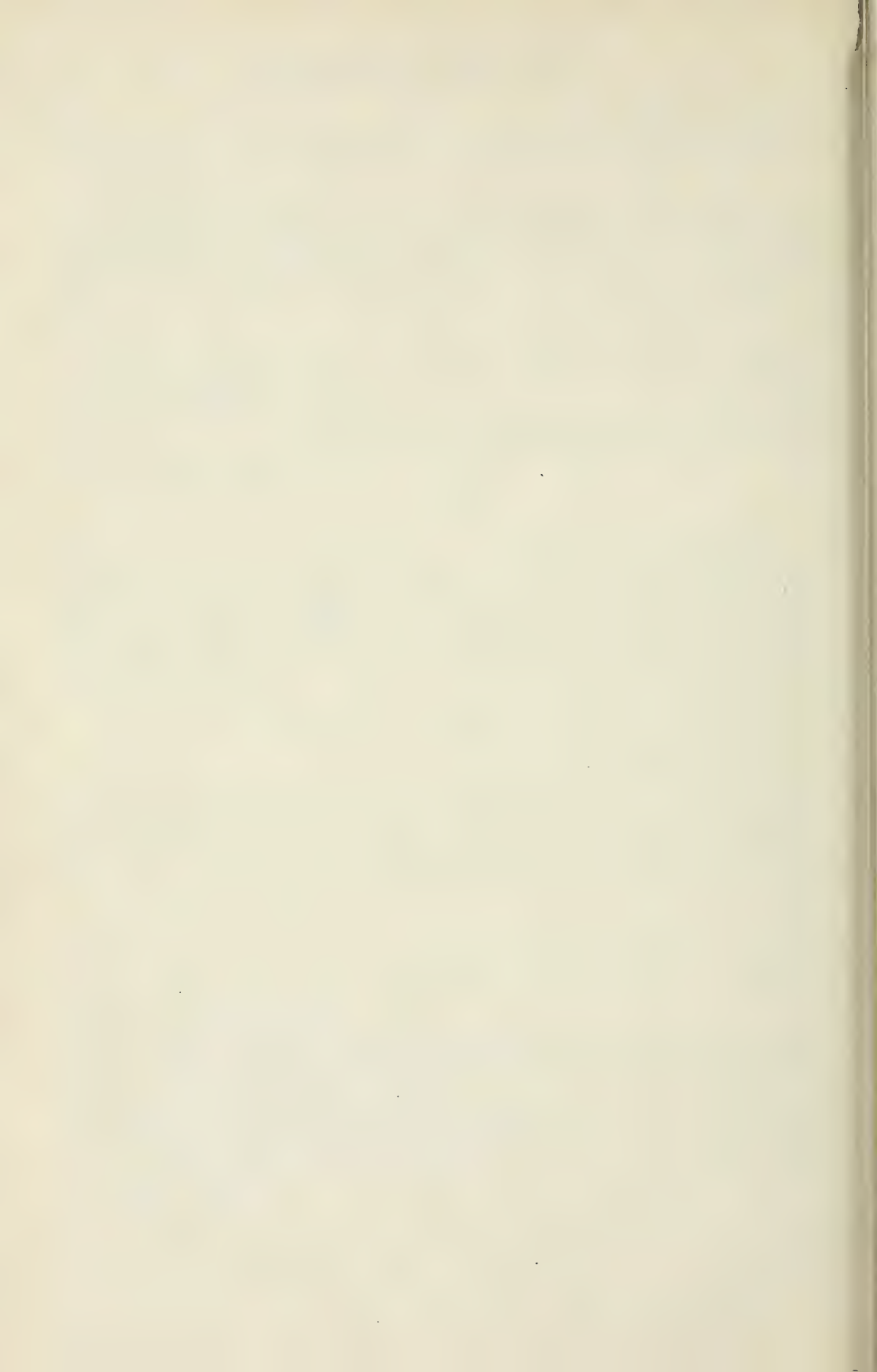
(Sgd.) DEVONSHIRE.

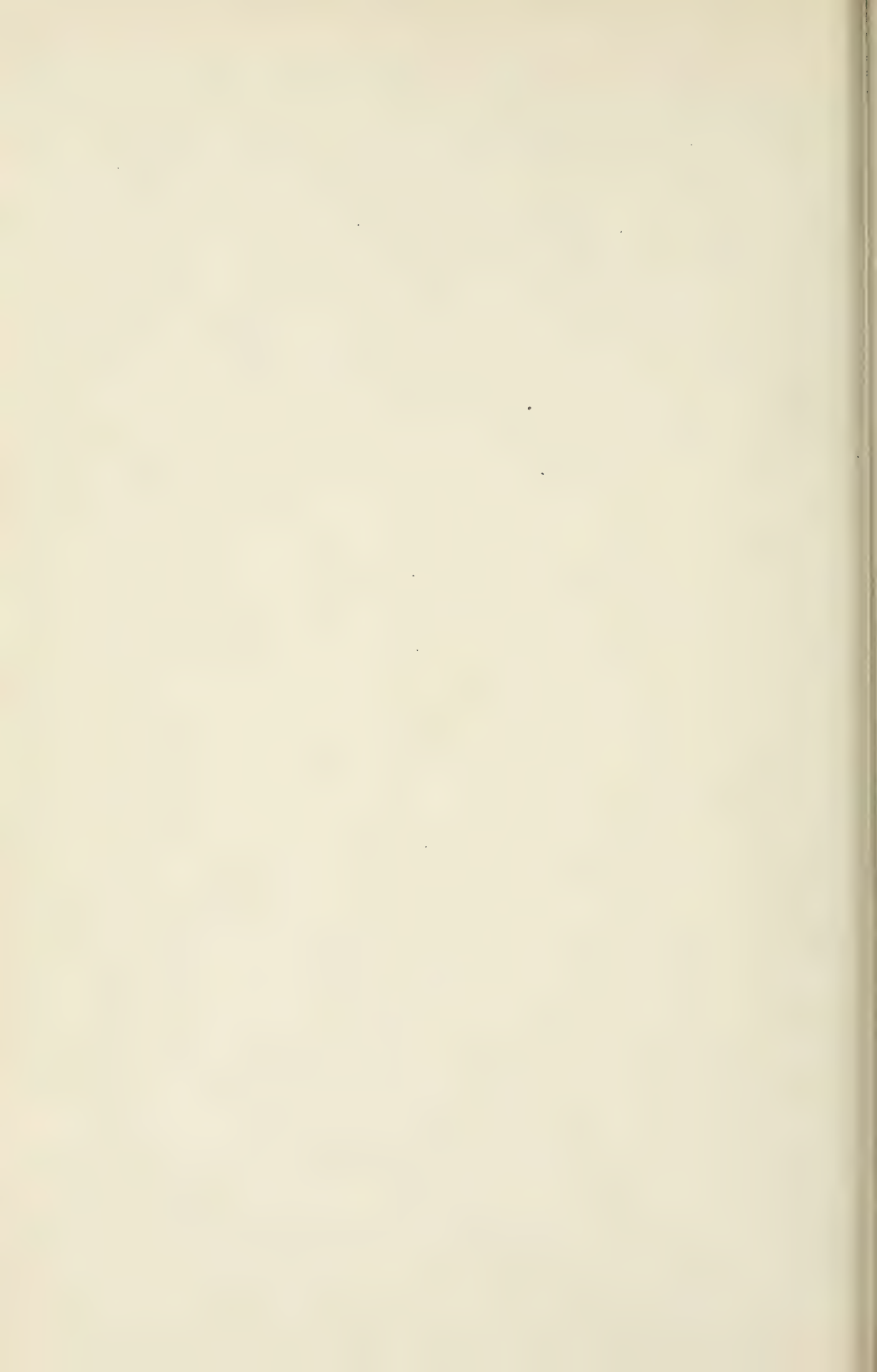
Telegram from the Secretary of State for the Colonies to the Governor General.

LONDON, September 19, 1919.

Most satisfactory to know that Treaty of Peace with Germany has been approved by Canadian Parliament. As matters have turned out and owing to unforeseen delays on the part of other powers, British Empire will probably be in position to ratify as soon as any other two of the principal Allied and Associated Powers. Parliaments of the Union of South Africa and New Zealand have also approved, and I hope soon to receive telegram announcing that Australian Parliament has approved.

(Sgd.) MILNER.





TREATY OF PEACE

BETWEEN THE

ALLIED AND ASSOCIATED POWERS
AND AUSTRIA

Signed at Saint-Germain-en-Laye,
September 10, 1919

PRINTED BY ORDER OF PARLIAMENT



OTTAWA
. DE LABROQUERIE TACHÉ,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1919

TREATY OF PEACE

[417]

THE UNITED STATES OF AMERICA, THE BRITISH EMPIRE, FRANCE, ITALY and JAPAN.

These Powers being described in the present Treaty as the Principal Allied and Associated Powers;

BELGIUM, CHINA, CUBA, GREECE, NICARAGUA, PANAMA, POLAND, PORTUGAL, ROUMANIA, THE SERB-CROAT-SLOVENE STATE, SIAM and CZECHO-SLOVAKIA,

These Powers constituting with the Principal Powers mentioned above, the Allied and Associated Powers,

of the one part;

And AUSTRIA,

of the other part;

Whereas on the request of the former Imperial and Royal Austro-Hungarian Government an Armistice was granted to Austria-Hungary on November 3, 1918, by the Principal Allied and Associated Powers in order that a Treaty of Peace might be concluded, and

Whereas the Allied and Associated Powers are equally desirous that the war in which certain among them were successively involved, directly or indirectly, against Austria-Hungary, and which originated in the declaration of war against Serbia on July 28, 1914, by the former Imperial and Royal Austro-Hungarian Government, and in the hostilities conducted by Germany in alliance with Austria-Hungary, should be replaced by a firm, just and durable Peace, and

Whereas the former Austro-Hungarian Monarchy has now ceased to exist, and has been replaced in Austria by a republican government, and

Whereas the Principal Allied and Associated Powers have already recognized that the Czecho-Slovak State, in which are incorporated certain portions of the said Monarchy, is a free, independent and allied State, and

Whereas the said Powers have also recognized the union of certain portions of the said Monarchy with the territory of the Kingdom of Serbia as a free, independent and allied State, under the name of the Serb-Croat-Slovene State, and

Whereas it is necessary, while restoring peace, to regulate the situation which has arisen from the dissolution of the said Monarchy and the formation of the said States, and to establish the government of these countries on a firm foundation of justice and equity;

10 GEORGE V, A. 1919

For this purpose the HIGH CONTRACTING PARTIES represented as follows:

THE PRESIDENT OF THE UNITED STATES OF AMERICA, by:

The Honourable Frank Lyon POLK, Under Secretary of State;
 The Honourable Henry WHITE, formerly Ambassador Extraordinary and Plenipotentiary of the United States at Rome and Paris;
 General Tasker H. BLISS, Military Representative of the United States on the Supreme War Council;

HIS MAJESTY THE KING OF THE UNITED KINGDOM OF GREAT BRITAIN AND IRELAND AND OF THE BRITISH DOMINIONS BEYOND THE SEAS, EMPEROR OF INDIA, by:

The Right Honourable Arthur James BALFOUR, O. M., M. P., His Secretary of State for Foreign Affairs;
 The Right Honourable Andrew BONAR LAW, M.P., His Lord Privy Seal;
 The Right Honourable Viscount MILNER, G.C.B., G.C.M.G., His Secretary of State for the Colonies;
 The Right Honourable George Nicoll BARNES, M.P., Minister without portfolio;
 And

for the DOMINION of CANADA, by:

The Honourable Sir Albert Edward KEMP, K.C.M.G., Minister of the Overseas Forces;

for the COMMONWEALTH of AUSTRALIA, by:

The Honourable George Foster PEARCE, Minister of Defence;

for the UNION of SOUTH AFRICA, by:

The Right Honourable Viscount MILNER, G. C. B., G. C. M. G.;

for the DOMINION of NEW ZEALAND, by:

The Honourable Sir Thomas MACKENZIE, K. C. M. G., High Commissioner for New Zealand in the United Kingdom;

for INDIA, by:

The Right Honourable Baron SINHA, K. C., Under Secretary of State for India;

THE PRESIDENT OF THE FRENCH REPUBLIC, by:

Mr. Georges CLEMENCEAU, President of the Council, Minister of War;
 Mr. Stephen PICHON, Minister for Foreign Affairs;
 Mr. Louis-Lucien KLOTZ, Minister of Finance;
 Mr. André TARDIEU, Commissary General for Franco-American Military Affairs;
 Mr. Jules CAMBON, Ambassador of France;

HIS MAJESTY THE KING OF ITALY, by:

The Honourable Tommaso TITTONI, Senator of the Kingdom, Minister for Foreign Affairs;
 The Honourable Vittorio SCIALOJA, Senator of the Kingdom;
 The Honourable Maggiorino FERRARIS, Senator of the Kingdom;
 The Honourable Guglielmo MARCONI, Senator of the Kingdom;
 The Honourable Silvio CRESPI, Deputy;

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HIS MAJESTY THE EMPEROR OF JAPAN, by:

- Viscount CHINDA, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at London;
- Mr. K. MATSUI, Ambassador Extraordinary and Plenipotentiary of H. M. the Emperor of Japan at Paris;
- Mr. H. IJUIN, Ambassador Extraordinary and Plenipotentiary of H.M. the Emperor of Japan at Rome;

HIS MAJESTY THE KING OF THE BELGIANS, by:

- Mr. Paul HYMANS, Minister for Foreign Affairs, Minister of State;
- Mr. Jules van den HEUVEL, Envoy Extraordinary and Minister Plenipotentiary, Minister of State;
- Mr. Emile VANDERVELDE, Minister of Justice, Minister of State;

THE PRESIDENT OF THE CHINESE REPUBLIC, by:

- Mr. Lou Tseng-Tsiang, Minister for Foreign Affairs;
- Mr. Chengting Thomas WANG, formerly Minister of Agriculture and Commerce

THE PRESIDENT OF THE CUBAN REPUBLIC, by:

- Mr. Athos ROMANOS, Envoy Extraordinary and Minister Plenipotentiary to the versity of Havana, President of the Cuban Society of International law;

HIS MAJESTY THE KING OF THE HELLENES, by:

- Mr. Nicolas POLITIS, Minister for Foreign Affairs;
- Mr. Athos ROMANOS, Envoy Extraordinary and Minister Plenipotentiary to the French Republic;

THE PRESIDENT OF THE REPUBLIC OF NICARAGUA, by:

- Mr. Salvador CHAMORRO, President of the Chamber of Deputies;

THE PRESIDENT OF THE REPUBLIC OF PANAMA, by:

- Mr. Antonio BURGOS, Envoy Extraordinary and Minister Plenipotentiary of Panama at Madrid;

THE PRESIDENT OF THE POLISH REPUBLIC, by:

- Mr. Ignace J. PADEREWSKI, President of the Council of Ministers, Minister for Foreign Affairs;
- Mr. Roman DMOWSKI, President of the Polish National Committee;

THE PRESIDENT OF THE PORTUGUESE REPUBLIC, by:

- Dr. Affonso DA COSTA, formerly President of the Council of Ministers;
- Dr. Augusto Luiz Vieira SOARES, formerly Minister for Foreign Affairs;

HIS MAJESTY THE KING OF ROUMANIA, by:

- M. Nicolas MISU, Envoy Extraordinary and Minister Plenipotentiary of Roumania at London;
- Dr. Alexander VAIDA-VOEVOD, Minister without portfolio;

10 GEORGE V, A. 1919

HIS MAJESTY THE KING OF THE SERBS, THE CROATS, AND THE SLOVENES, by:

Mr. Nicolas P. PACHITCH, formerly President of the Council of Ministers;

Mr. Ante TRUMBIC, Minister for Foreign Affairs;

Mr. Ivan ZOLGER, Doctor of Law;

HIS MAJESTY THE KING OF SIAM, by:

His Highness Prince CHAROON, Envoy Extraordinary and Minister Plenipotentiary of H. M. the King of Siam at Paris;

His Serene Highness Prince TRAIKOS PRABANDHU, Under Secretary of State for Foreign Affairs;

THE PRESIDENT OF THE CZECHO-SLOVAK REPUBLIC, by:

Mr. Karel KRAMAR, President of the Council of Ministers;

Mr. Eduard BENES, Minister for Foreign Affairs;

THE REPUBLIC OF AUSTRIA, by:

Mr. Charles RENNER, Chancellor of the Republic of Austria;

WHO, having communicated their full powers, found in good and due form, have

AGREED AS FOLLOWS:

From the coming into force of the present Treaty the state of war will terminate.

From that moment, and subject to the provisions of the present Treaty, official relations will exist between the Allied and Associated Powers and the Republic of Austria.

PART I.

THE COVENANT OF THE LEAGUE OF NATIONS.

THE HIGH CONTRACTING PARTIES,

In order to promote international co-operation and to achieve international peace and security

- by the acceptance of obligations not to resort to war,
- by the prescription of open, just and honourable relations between nations,
- by the firm establishment of the understandings of international law as the actual rule of conduct among Governments, and
- by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another.

Agree to this Covenant of the League of Nations.

ARTICLE 1.

The original Members of the League of Nations shall be those of the Signatories which are named in the Annex to this Covenant and also such of those other States named in the Annex as shall accede without reservation to this Covenant. Such accession shall be effected by a Declaration deposited with the Secretariat within two months of the coming into force of the Covenant. Notice thereof shall be sent to all other Members of the League.

Any fully self-governing State, Dominion or Colony not named in the Annex may become a Member of the League if its admission is agreed to by two-thirds of the Assembly, provided that it shall give effective guarantees of its sincere intention to observe its international obligations, and shall accept such regulations as may be prescribed by the League in regard to its military, naval and air forces and armaments.

Any Member of the League may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations and all its obligations under this Covenant shall have been fulfilled at the time of its withdrawal.

ARTICLE 2.

The action of the League under this Covenant shall be effected through the instrumentality of an Assembly and of a Council, with a permanent Secretariat.

ARTICLE 3.

The Assembly shall consist of Representatives of the Members of the League.

The Assembly shall meet at stated intervals and from time to time as occasion may require at the Seat of the League or at such other place as may be decided upon.

The Assembly may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

At meetings of the Assembly each Member of the League shall have one vote, and may have not more than three Representatives.

ARTICLE 4.

The Council shall consist of Representatives of the Principal Allied and Associated Powers, together with Representatives of four other Members of the League. These four Members of the League shall be selected by the Assembly from time to time in its discretion. Until the appointment of the Representatives of the four Members of the League first selected by the Assembly, Representatives of Belgium, Brazil, Spain and Greece shall be members of the Council.

With the approval of the majority of the Assembly, the Council may name additional Members of the League whose Representatives shall always be members of the Council; the Council with like approval may increase the number of Members of the League to be selected by the Assembly for representation on the Council.

The Council shall meet from time to time as occasion may require, and at least once a year, at the Seat of the League, or at such other place as may be decided upon.

The Council may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

Any Member of the League not represented on the Council shall be invited to send a Representative to sit as a member at any meeting of the Council during the consideration of matters specially affecting the interests of that Member of the League.

At meetings of the Council, each Member of the League represented on the Council shall have one vote, and may have not more than one Representative.

ARTICLE 5.

Except where otherwise expressly provided in this Covenant or by the terms of the present Treaty, decisions at any meeting of the Assembly or of the Council shall require the agreement of all the Members of the League represented at the meeting.

All matters of procedure at meetings of the Assembly or of the Council, including the appointment of Committees to investigate particular matters, shall be regulated by the Assembly or by the Council and may be decided by a majority of the Members of the League represented at the meeting.

The first meeting of the Assembly and the first meeting of the Council shall be summoned by the President of the United States of America.

ARTICLE 6.

The permanent Secretariat shall be established at the Seat of the League. The Secretariat shall comprise a Secretary General and such secretaries and staff as may be required.

The first Secretary General shall be the person named in the Annex; thereafter the Secretary General shall be appointed by the Council with the approval of the majority of the Assembly.

The secretaries and staff of the Secretariat shall be appointed by the Secretary General with the approval of the Council.

The Secretary General shall act in that capacity at all meetings of the Assembly and of the Council.

The expenses of the Secretariat shall be borne by the Members of the League in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union.

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ARTICLE 7.

The Seat of the League is established at Geneva.

The Council may at any time decide that the Seat of the League shall be established elsewhere.

All positions under or in connection with the League, including the Secretariat, shall be open equally to men and women.

Representatives of the Members of the League and officials of the League when engaged on the business of the League shall enjoy diplomatic privileges and immunities.

The buildings and other property occupied by the League or its officials or by Representatives attending its meetings shall be inviolable.

ARTICLE 8.

The Members of the League recognize that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

The Council, taking account of the geographical situation and circumstances of each State, shall formulate plans for such reduction for the consideration and action of the several Governments.

Such plans shall be subject to reconsideration and revision at least every ten years.

After these plans shall have been adopted by the several Governments, the limits of armaments therein fixed shall not be exceeded without the concurrence of the Council.

The Members of the League agree that the manufacture by private enterprise of munitions and implements of war is open to grave objections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those Members of the League which are not able to manufacture the munitions and implements of war necessary for their safety.

The Members of the League undertake to interchange full and frank information as to the scale of their armaments, their military, naval and air programmes and the condition of such of their industries as are adaptable to war-like purposes.

ARTICLE 9.

A permanent Commission shall be constituted to advise the Council on the execution of the provisions of Articles 1 and 8 and on military, naval and air questions generally.

ARTICLE 10.

The Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Council shall advise upon the means by which this obligation shall be fulfilled.

ARTICLE 11.

Any war or threat of war, whether immediately affecting any of the Members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations. In case any such emergency should arise the Secretary General shall on the request of any Member of the League forthwith summon a meeting of the Council.

It is also declared to be the friendly right of each Member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends.

ARTICLE 12.

The members of the League agree that if there should arise between them any dispute likely to lead to a rupture, they will submit the matter either to arbitration or to inquiry by the Council, and they agree in no case to resort to war until three months after the award by the arbitrators or the report by the Council.

In any case under this Article the award of the arbitrators shall be made within a reasonable time, and the report of the Council shall be made within six months after the submission of the dispute.

ARTICLE 13.

The Members of the League agree that whenever any dispute shall arise between them which they recognize to be suitable for submission to arbitration and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject-matter to arbitration.

Disputes as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact which if established would constitute a breach of any international obligation, or as to the extent and nature of the reparation to be made for any such breach, are declared to be among those which are generally suitable for submission to arbitration.

For the consideration of any such dispute the court of arbitration to which the case is referred shall be the court agreed on by the parties to the dispute or stipulated in any convention existing between them.

The Members of the League agree that they will carry out in good faith any award that may be rendered, and that they will not resort to war against a Member of the League which complies therewith. In the event of any failure to carry out such an award, the Council shall propose what steps should be taken to give effect thereto.

ARTICLE 14.

The Council shall formulate and submit to the Members of the League for adoption plans for the establishment of a Permanent Court of International Justice. The Court shall be competent to hear and determine any dispute of an international character which the parties thereto submit to it. The Court may also give an advisory opinion upon any dispute or question referred to it by the Council or by the Assembly.

ARTICLE 15.

If there should arise between Members of the League any dispute likely to lead to a rupture, which is not submitted to arbitration in accordance with Article 13, the Members of the League agree that they will submit the matter to the Council. Any party to the dispute may effect such submission by giving notice of the existence of the dispute to the Secretary General, who will make all necessary arrangements for a full investigation and consideration thereof.

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For this purpose the parties to the dispute will communicate to the Secretary General, as promptly as possible, statements of their case with all the relevant facts and papers, and the Council may forthwith direct the publication thereof.

The Council shall endeavour to effect a settlement of the dispute, and if such efforts are successful, a statement shall be made public giving such facts and explanations regarding the dispute and the terms of settlement thereof as the Council may deem appropriate.

If the dispute is not thus settled, the Council either unanimously or by a majority vote shall make and publish a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard thereto.

Any Member of the League represented on the Council may make public a statement of the facts of the dispute and of its conclusions regarding the same.

If a report by the Council is unanimously agreed to by the members thereof other than the Representatives of one or more of the parties to the dispute, the Members of the League agree that they will not go to war with any party to the dispute which complies with the recommendations of the report.

If the Council fails to reach a report which is unanimously agreed to by the members thereof, other than the Representatives of one or more of the parties to the dispute, the Members of the League reserve to themselves the right to take such action as they shall consider necessary for the maintenance of right and justice.

If the dispute between the parties is claimed by one of them, and is found by the Council, to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the Council shall so report, and shall make no recommendation as to its settlement.

The Council may in any case under this Article refer the dispute to the Assembly. The dispute shall be so referred at the request of either party to the dispute, provided that such request be made within fourteen days after the submission of the dispute to the Council.

In any case referred to the Assembly, all the provisions of this Article and of Article 12 relating to the action and powers of the Council shall apply to the action and powers of the Assembly, provided that a report made by the Assembly, if concurred in by the Representatives of those Members of the League represented on the Council and of a majority of the other Members of the League, exclusive in each case of the Representatives of the parties to the dispute, shall have the same force as a report by the Council concurred in by all the Members thereof other than the Representatives of one or more of the parties to the dispute.

ARTICLE 16.

Should any Member of the League resort to war in disregard of its covenants under Articles 12, 13 or 15, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a Member of the League or not.

It shall be the duty of the Council in such case to recommend to the several Governments concerned what effective military, naval or air force the Members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

The Members of the League agree, further, that they will mutually support one another in the financial and economic measures which are taken under this Article,

in order to minimize the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking State, and that they will take the necessary steps to afford passage through their territory to the forces of any of the Members of the League which are co-operating to protect the covenants of the League.

Any Member of the League which has violated any covenant of the League may be declared to be no longer a Member of the League by a vote of the Council concurred in by the Representatives of all the other Members of the League represented thereon.

ARTICLE 17.

In the event of a dispute between a Member of the League and a State which is not a Member of the League, or between States not Members of the League the State or States not Members of the League shall be invited to accept the obligations of membership in the League for the purposes of such dispute, upon such conditions as the Council may deem just. If such invitation is accepted, the provisions of Articles 12 to 16 inclusive shall be applied with such modifications as may be deemed necessary by the Council.

Upon such invitation being given the Council shall immediately institute an inquiry into the circumstances of the dispute and recommend such action as may seem best and most effectual in the circumstances.

If a State so invited shall refuse to accept the obligations of membership in the League for the purposes of such dispute, and shall resort to war against a Member of the League, the provisions of Article 16 shall be applicable as against the State taking such action.

If both parties to the dispute when so invited refuse to accept the obligations of membership in the League for the purposes of such dispute, the Council may take such measures and make such recommendations as will prevent hostilities and will result in the settlement of the dispute.

ARTICLE 18.

Every treaty or international engagement entered into hereafter by any Member of the League shall be forthwith registered with the Secretariat and shall as soon as possible be published by it. No such treaty or international engagement shall be binding until so registered.

ARTICLE 19.

The Assembly may from time to time advise the reconsideration by Members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world.

ARTICLE 20.

The Members of the League severally agree that this Covenant is accepted as abrogating all obligations or understandings *inter se* which are inconsistent with the terms thereof, and solemnly undertake that they will not hereafter enter into any engagements inconsistent with the terms thereof.

In case any Member of the League shall, before becoming a Member of the League, have undertaken any obligations inconsistent with the terms of this Covenant, it shall be the duty of such Member to take immediate steps to procure its release from such obligations.

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ARTICLE 21.

Nothing in this Covenant shall be deemed to affect the validity of international engagement, such as treaties of arbitration or regional understandings like the Monroe Doctrine, for securing the maintenance of peace.

ARTICLE 22.

To those colonies and territories which as a consequence of the late war have ceased to be under the sovereignty of the States which formerly governed them and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and development of such peoples form a sacred trust of civilization and that securities for the performance of this trust should be embodied in this Covenant.

The best method of giving practical effect to this principle is that the tutelage of such peoples should be entrusted to advanced nations who by reason of their resources, their experience or their geographical position can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League.

The character of the mandate must differ according to the stage of the development of the people, the geographical situation of the territory, its economic conditions and other similar circumstances.

Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the Mandatory.

Other peoples, especially those of Central Africa, are at such a stage that the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience and religion, subject only to the maintenance of public order and morals, the prohibition of abuses such as the slave trade, the arms traffic and the liquor traffic, and the prevention of the establishment of fortifications or military and naval bases and of military training of the natives for other than police purposes and the defence of territory, and will also secure equal opportunities for the trade and commerce of other Members of the League.

There are territories, such as South-West Africa and certain of the South Pacific Islands, which, owing to the sparseness of their population, or their small size, or their remoteness from the centres of civilization, or their geographical contiguity to the territory of the Mandatory, and other circumstances, can be best administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards above mentioned in the interests of the indigenous population.

In every case of mandate, the Mandatory shall render to the Council an annual report in reference to the territory committed to its charge.

The degree of authority, control, or administration to be exercised by the Mandatory shall, if not previously agreed upon by the Members of the League, be explicitly defined in each case by the Council.

A permanent Commission shall be constituted to receive and examine the annual reports of the Mandatories and to advise the Council on all matters relating to the observance of the mandates.

ARTICLE 23.

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League:

- (a) will endeavour to secure and maintain fair and humane conditions of labour for men, women, and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations;
- (b) undertake to secure just treatment of the native inhabitants of territories under their control;
- (c) will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs;
- (d) will entrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest;
- (e) will make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League. In this connection, the special necessities of the regions devastated during the war of 1914-1918 shall be borne in mind;
- (f) will endeavour to take steps in matters of international concern for the prevention and control of disease.

ARTICLE 24.

There shall be placed under the direction of the League all international bureaux already established by general treaties if the parties to such treaties consent. All such international bureaux and all commissions for the regulation of matters of international interest hereafter constituted shall be placed under the direction of the League.

In all matters of international interest which are regulated by general conventions but which are not placed under the control of international bureaux or commissions, the Secretariat of the League shall, subject to the consent of the Council and if desired by the parties, collect and distribute all relevant information and shall render any other assistance which may be necessary or desirable.

The Council may include as part of the expenses of the Secretariat the expenses of any bureau or commission which is placed under the direction of the League.

ARTICLE 25.

The Members of the League agree to encourage and promote the establishment and co-operation of duly authorized voluntary national Red Cross organizations having as purposes the improvement of health, the prevention of disease and the mitigation of suffering throughout the world.

ARTICLE 26.

Amendments to this Covenant will take effect when ratified by the Members of the League whose Representatives compose the Council and by a majority of the Members of the League whose Representatives compose the Assembly.

No such amendment shall bind any Member of the League which signifies its dissent therefrom, but in that case it shall cease to be a Member of the League.

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ANNEX.

I. ORIGINAL MEMBERS OF THE LEAGUE OF NATIONS.

UNITED STATES OF AMERICA.	HAITI.
BELGIUM.	HEDJAZ.
BOLIVIA.	HONDURAS.
BRAZIL.	ITALY.
BRITISH EMPIRE.	JAPAN.
CANADA.	LIBERIA.
AUSTRALIA.	NICARAGUA.
SOUTH AFRICA.	PANAMA.
NEW ZEALAND.	PERU.
INDIA.	POLAND.
CHINA.	PORTUGAL.
CUBA.	ROUMANIA.
ECUADOR.	SERB-CROAT-SLOVENE STATE.
FRANCE.	SIAM.
GREECE.	CZECHO-SLOVAKIA.
GUATEMALA.	URUGUAY.

STATES INVITED TO ACCEDE TO THE COVENANT.

ARGENTINE REPUBLIC.	PERSIA.
CHILI.	SALVADOR.
COLOMBIA.	SPAIN.
DENMARK.	SWEDEN.
NETHERLANDS.	SWITZERLAND.
NORWAY.	VENEZUELA.
PARAGUAY.	

II. FIRST SECRETARY GENERAL OF THE LEAGUE OF NATIONS.

The Honourable Sir JAMES ERIC DRUMMOND, K.C.M.G., C.B.

PART II.

FRONTIERS OF AUSTRIA.

ARTICLE 27.

The frontiers of Austria shall be fixed as follows (see annexed Map):

1. *With Switzerland and Lichtenstein:*

the present frontier.

2. *With Italy:*

From the point 2645 (Gruben J.) eastwards to point 2915 (Klopaier Spitz),
a line to be fixed on the ground passing through point 1483 on the Reschen-Nauders road;

thence eastwards to the summit of Dreiherrn Spitz (point 3505),
the watershed between the basins of the Inn to the north and the Adige to the south;

thence generally south-south-eastwards to point 2545 (Marchkinkele),
the watershed between the basins of the Drave to the east and the Adige to the west;

thence south-eastwards to point 2483 (Helm Spitz),

a line to be fixed on the ground crossing the Drave between Winnbach and Arnbach;

thence east-south-eastwards to point 2050 (Osternig) about 9 kilometres north-west of Tarvis,

the watershed between the basins of the Drave on the north and successively the basins of the Sextenbach, the Piave and the Tagliamento on the south;

thence east-south-eastwards to point 1492 (about 2 kilometres west of Thörl),
the watershed between the Gail and the Gailitz;

thence eastwards to point 1509 (Pec),

a line to be fixed on the ground cutting the Gailitz south of the town and station of Thörl and passing through point 1270 (Cabin Berg).

3. *On the South, and then with the Klagenfurt area* subject to the provisions of Section II of Part III (Political Clauses for Europe):

from point 1509 (Pec) eastwards to point 1817 (Malestiger),

the crest of the Karavanken;

from point 1817 (Malestiger) and in a north-easterly direction as far as the Drave at a point situated about 1 kilometre south-east of the railway bridge on the eastern branch of the bend made by that river about 6 kilometres east of Villach,

a line to be fixed on the ground cutting the railway between Mallestig and Faak and passing through point 666 (Polana);

thence in a south-easterly direction to a point about 2 kilometres above St. Martin, the course of the Drave;

thence in a northerly direction as far as point 871, about 10 kilometres to the east-north-east of Villach,

a line running approximately from south to north to be fixed on the ground;

thence east-north-eastwards to a point to be chosen near point 725 about 10 kilometres north-west of Klagenfurt on the administrative boundary between the districts of St. Veit and Klagenfurt,

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a line to be fixed on the ground passing through points 1069 (Taubenbühel), 1045 (Gallinberg) and 815 (Freudenberg);
 thence eastwards to a point to be chosen on the ground west of point 1075 (Steinbruch Kogel),
 the administrative boundary between the districts of St. Veit and Klagenfurt;
 thence north-eastwards to the point on the Gurk where the administrative boundary of the district of Völkermarkt leaves that river,
 a line to be fixed on the ground passing through point 1076;
 thence north-eastwards to point 1899 (Speikkogl),
 the administrative boundary between the districts of St. Veit and Völkermarkt;
 thence south-eastwards to point 842 (1 kilometre west of Kasparstein),
 the north-eastern boundary of the district of Völkermarkt;
 thence eastwards to point 1522 (Hühner Kogel),
 a line to be fixed on the ground passing north of Lavamünd.

4. *With the Serb-Croat-Slovene State*, subject to the provisions of Section II of Part III (Political Clauses for Europe):

From point 1522 (Hühner Kogel) eastwards to point 917 (St. Lorenzen),
 a line to be fixed on the ground passing through point 1330;
 thence eastwards to the point where it meets the administrative boundary between the districts of Marburg and Leibnitz,
 the watershed between the basins of the Drave to the south and the Saggau to the north;
 thence north-eastwards to the point where this administrative boundary meets the Mur,
 the above-mentioned administrative boundary;
 thence to the point where it meets the old frontier of 1867 between Austria and Hungary about 5 kilometres south-east of Radkersburg,
 the principal course of the Mur downstream;
 thence northwards to a point to be fixed east of point 400 about 16 kilometres north of Radkersburg,
 the old frontier of 1867 between Austria and Hungary;
 thence north-eastwards to a point to be fixed on the watershed between the basins of the Raab and the Mur about 2 kilometres east of Toka, being the point common to the three frontiers of Austria, Hungary and the Serb-Croat-Slovene State,
 a line to be fixed on the ground, passing between the villages of Bonisfalva and Gedoudvar.

5. *With Hungary*:

From the point above defined north-eastwards to point 353 about 6 kilometres north-north-east of Szentgotthard,
 a line to be fixed on the ground passing through point 353 (Janke B.), then west of the Radkersburg-Szentgotthard road and east of the villages of Nagyfalva, Nemetlak and Rabakeresztur;
 thence in a general north-easterly direction to point 234 about 7 kilometres north-north-east of Pinkamindszent,
 a line to be fixed on the ground passing through point 322 (Hochkogel), then south of the villages of Zsamand, Nemetbükkös, and Karacsfa, and between Nagysároslak and Pinkamindszent;
 thence northwards to point 883 (Trött Kö) about 9 kilometres south-west of Kőszeg,
 a line to be fixed on the ground passing through points 241, 260 and 273, then east of Nagynarda and Rohonez and west to Dozmat and Butching;

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thence north-eastwards to point 265 (Kamenje) about 2 kilometres south-east of Nikitsch.

a line to be fixed on the ground, passing south-east of Liebing, Olmod and Loesmand, and north-west of Köszeg and the road from Köszeg to Salamonfa;

thence northwards to a point to be selected on the southern shore of Neusiedler See between Holling and Hidegseg,

a line to be fixed on the ground, passing east of Nikitsch and Zinkendorf and west of Kövesd and Nemet-Peresztég;

thence eastwards to point 115 situated about 8 kilometres south-west of St. Johann.

a line to be fixed on the ground, crossing the Neusiedler See, passing south of the island containing point 117, leaving in Hungary the branch railway running north-westwards from the station of Mexiko as well as the entire Einser canal, and passing south of Pamhagen;

thence northwards to a point to be selected, about 1 kilometre west of Antonienhof (east of Kittsee), being the point common to the three frontiers of Austria, Hungary and the Czecho-Slovak State,

a line to be fixed on the ground, leaving entirely in Hungarian territory the Csorna-Karlbürg railway and passing west of Wüst-Sommerein and Kr. Jahrndorf, and east of Andau, Nikelsdorf, D. Jahrndorf and Kittsee.

6. *With the Czecho-Slovak State:*

From the point above defined north-westwards to the bend of the old frontier of 1867 between Austria and Hungary about 2½ kilometres north-east of Berg,

a line to be fixed on the ground, cutting the Kittsee-Pressburg road about 2 kilometres north of Kittsee;

thence northwards to a point to be selected on the principal channel of navigation of the Danube about 4½ kilometres upstream from the Pressburg bridge,

a line to be fixed on the ground following as much as possible the old frontier of 1867 between Austria and Hungary;

thence westwards to the confluence of the Morava (March) with the Danube, the principal channel of navigation of the Danube;

thence the course of the Morava upstream, then the course of the Thaya upstream to a point to be selected about 2 kilometres south-east of the intersection of the Rabensburg-Themenau road with the Rabensburg-Lundenburg railway;

thence west-north-westwards to a point on the old administrative boundary between Lower Austria and Moravia situated about 400 metres south of the point where this boundary cuts the Nikolsburg-Feldsberg railway,

a line to be fixed on the ground passing through points 187 (Dlouhývřch), 221 (Rosenbergen), 223 (Wolfsberg), 291 (Raistenberg), 249 and 279 (Kallerhaide);

thence west-north-westwards the above-mentioned administrative boundary;

thence westwards to a point to be selected about 3 kilometres east of the village of Franzensthal,

the old administrative boundary between Lower Austria and Bohemia;

thence southwards to point 498 (Gelsenberg) about 5 kilometres north-north-west of Gmünd,

a line to be fixed on the ground passing east of the Rottenschachen-Zuggers road and through points 537 and 522 (G. Nagel B.):

thence southwards and then west-north-westwards to a point on the old administrative boundary between Lower Austria and Bohemia situated about 200 metres north of the point where it cuts the Gratzen-Weitra road,

a line to be fixed on the ground passing between Zuggers and Breitenze, then through the most south-easterly point of the railway bridge over the Lainsitz leaving to Austria the town of Gmünd and to the Czecho-Slovak State the station and railway

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works of Gmünd (Wolfshof) and the junction of the Gmünd-Budweis and Gmünd-Wittingau railways, then passing through points 524 (Grundbühel), 577 (north of Hohenberg) and 681 (Lagerberg);

thence south-westwards the above-mentioned administrative boundary;

then northwestwards the old administrative boundary between Bohemia and Upper Austria to its point of junction with the frontier of Germany.

7. With Germany:

The frontier of August 3, 1914.

ARTICLE 28.

The frontiers described by the present Treaty are traced, for such parts as are defined, on the one in a million map attached to the present Treaty. In case of differences between the text and the map, the text will prevail.

ARTICLE 29.

Boundary Commissions, whose composition is fixed by the present Treaty, or will be fixed by a Treaty between the Principal Allied and Associated Powers and the, or any, interested States, will have to trace these frontiers on the ground.

They shall have the power, not only of fixing those portions which are defined as "a line to be fixed on the ground," but also, where a request to that effect is made by one of the States concerned, and the Commission is satisfied that it is desirable to do so, of revising portions defined by administrative boundaries; this shall not however apply in the case of international boundaries existing in August, 1914, where the task of the Commissions will be confined to the re-establishment of sign-posts and boundary-marks. They shall endeavour in both cases to follow as nearly as possible the descriptions given in the Treaties, taking into account as far as possible administrative boundaries and local economic interests.

The decisions of the Commissions will be taken by a majority, and shall be binding on the parties concerned.

The expenses of the Boundary Commissions will be borne in equal shares by the two States concerned.

ARTICLE 30.

In so far as frontiers defined by a waterway are concerned, the phrases "course" or "channel" used in the descriptions of the present Treaty signify, as regards non-navigable rivers, the median line of the waterway or of its principal branch, and, as regards navigable rivers, the median line of the principal channel of navigation. It will, however, rest with the Boundary Commissions provided for by the present Treaty to specify whether the frontier line shall follow any changes of the course or channel which may take place, or whether it shall be definitely fixed by the position of the course or channel at the time when the present Treaty comes into force.

ARTICLE 31.

The various States interested undertake to furnish to the Commissions all documents necessary for their tasks, especially authentic copies of agreements fixing existing or old frontiers, all large scale maps in existence, geodetic data, surveys completed but unpublished, and information concerning the changes of frontier watercourses.

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They also undertake to instruct the local authorities to communicate to the Commissions all documents, especially plans, cadastral and land books, to furnish on demand all details regarding property, local economic relations, and other necessary information.

ARTICLE 32

The various States interested undertake to give assistance to the Boundary Commissions, whether directly or through local authorities, in everything that concerns transport, accommodation, labour, material (signposts, boundary pillars) necessary for the accomplishment of their mission.

ARTICLE 33.

The various States interested undertake to safeguard the trigonometrical points, signals, posts or frontier marks erected by the Commission.

ARTICLE 34.

The pillars will be placed so as to be intervisible; they will be numbered, and their position and their number will be noted on a cartographic document.

ARTICLE 35.

The protocols defining the boundary, and the maps and documents attached thereto will be made out in triplicate, of which two copies will be forwarded to the Governments of the limitrophe States and the third to the Government of the French Republic, which will deliver authentic copies to the Powers signatories of the present Treaty.

PART III.

POLITICAL CLAUSES FOR EUROPE.

SECTION I.

Italy.

ARTICLE 36.

Austria renounces, so far as she is concerned, in favour of Italy all rights and title over the territory of the former Austro-Hungarian Monarchy situated beyond the frontiers of Austria laid down in Article 27, 2, Part II (Frontiers of Austria), and lying between those frontiers, the former Austro-Hungarian frontier, the Adriatic Sea, and the eastern frontier of Italy as subsequently determined.

Austria similarly renounces, so far as she is concerned, in favour of Italy all rights and title over other territory of the former Austro-Hungarian Monarchy which may be recognized as forming part of Italy by any treaties which may be concluded for the purpose of completing the present settlement.

A Commission composed of five members, one nominated by Italy, three by the other Principal Allied and Associated Powers, and one by Austria, shall be constituted within fifteen days from the coming into force of the present Treaty, to trace on the spot the frontier line between Italy and Austria.

The decisions of the Commission will be taken by a majority and shall be binding on the parties concerned.

ARTICLE 37.

Notwithstanding the provisions of Article 269, Part X (Economic Clauses), persons having their usual residence in the territories of the former Austro-Hungarian Monarchy transferred to Italy who, during the war, have been outside the territories of the former Austro-Hungarian Monarchy or have been imprisoned, interned or evacuated, shall enjoy the full benefit of the provisions of Articles 252 and 253, Part X (Economic Clauses).

ARTICLE 38.

A special Convention will determine the terms of repayment in Austrian currency of the special war expenditure advanced during the war by territory of the former Austro-Hungarian Monarchy transferred to Italy or by public associations in that territory on account of the Austro-Hungarian Monarchy under its legislation, such as allowances to the families of persons mobilized, requisitions, billeting of troops, and relief to persons who have been evacuated.

In fixing the amount of these sums Austria shall be credited with the amount which the territory would have contributed to Austria-Hungary to meet the expenses resulting from these payments, this contribution being calculated according to the proportion of the revenues of the former Austro-Hungarian Monarchy derived from the territory in 1913.

ARTICLE 39.

The Italian Government will collect for its own account the taxes, dues and charges of every kind leviable in the territories transferred to Italy and not collected on November 3, 1918.

ARTICLE 40.

No sum shall be due by Italy on the ground of her entry into possession of the Palazzo Venezia at Rome.

ARTICLE 41.

Subject to the provisions of Article 208, Part IX (Financial Clauses) relative to the acquisition of, and payment for, State property and possessions, the Italian Government is substituted in all the rights which the Austrian State possessed over all the railways in the territories transferred to Italy which were administered by the Railway Administration of the said State and which are actually working or under construction.

The same shall apply to the rights of the former Austro-Hungarian Monarchy with regard to railway and tramway concessions within the above-mentioned territories.

The frontier railway stations shall be determined by a subsequent agreement.

ARTICLE 42.

Austria shall restore to Italy within a period of three months all the wagons belonging to the Italian railways which before the outbreak of war had passed into Austria and have not returned to Italy.

ARTICLE 43.

Austria renounces as from November 3, 1918, on behalf of herself and her nationals in regard to territories transferred to Italy all rights to which she may be entitled with regard to the products of the aforesaid territories under any agreements, stipulations or laws establishing trusts, cartels or other similar organizations.

ARTICLE 44.

For a period of ten years from the coming into force of the present Treaty central electric power stations situated in Austrian territory and formerly furnishing electric power to the territories transferred to Italy or to any establishment the exploitation of which passes to Italy shall be required to continue furnishing this supply up to an amount corresponding to the undertakings and contracts in force on November 3, 1918.

Austria further admits the right of Italy to the free use of the waters of Lake Raibl and its derivative watercourse and to divert the said waters to the basin of the Korinitza.

ARTICLE 45.

(1) Judgments rendered since August 4, 1914, by the courts in the territory transferred to Italy in civil and commercial cases between the inhabitants of such territory and other nationals of the former Austrian Empire, or between such inhabitants

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and the subjects of the Powers allies of the Austro-Hungarian Monarchy, shall not be carried into effect until after endorsement by the corresponding new court in such territory.

(2) All decisions rendered for political crimes or offences since August 4, 1914, by the judicial authorities of the former Austro-Hungarian Monarchy against Italian nationals, including persons who obtain Italian nationality under the present Treaty, shall be annulled.

(3) In all matters relating to proceeding initiated before the coming into force of the present Treaty before the competent authorities of the territory transferred to Italy, the Italian and Austrian judicial authorities respectively shall until the coming into force of a special convention on this subject be authorized to correspond with each other direct. Requests thus presented shall be given effect to so far as the laws of a public character allow in the country to the authorities of which the request is addressed.

(4) All appeals to the higher Austrian judicial and administrative authorities beyond the limits of the territory transferred to Italy against decisions of the administrative or judicial authorities of this territory shall be suspended. The records shall be submitted to the authorities against whose decision the appeal was entered. They must be transmitted to the competent Italian authorities without delay.

(5) All other questions as to jurisdiction, procedure or the administration of justice will be determined by a special convention between Italy and Austria.

SECTION II.

Serb-Croat-Slovene State.

ARTICLE 46.

Austria, in conformity with the action already taken by the Allied and Associated Powers, recognizes the complete independence of the Serb-Croat-Slovene State.

ARTICLE 47.

Austria renounces, so far as she is concerned, in favour of the Serb-Croat-Slovene State all rights and title over the territories of the former Austro-Hungarian Monarchy situated outside the frontiers of Austria as laid down in Article 27, Part II (Frontiers of Austria) and recognized by the present Treaty, or by any Treaties concluded for the purpose of completing the present settlement, as forming part of the Serb-Croat-Slovene State.

ARTICLE 48.

A Commission consisting of seven members, five nominated by the Principal Allied and Associated Powers, one by the Serb-Croat-Slovene State, and one by Austria, shall be constituted within fifteen days from the coming into force of the present Treaty, to trace on the spot the frontier line described in Article 27, 4, Part II (Frontiers of Austria).

The decisions of the Commission will be taken by a majority and shall be binding on the parties concerned.

ARTICLE 49.

The inhabitants of the Klagenfurt area will be called upon, to the extent stated below, to indicate by a vote the State to which they wish the territory to belong.

The boundaries of the Klagenfurt area are as follows:

From point 871, about 10 kilometres to the east-north-east of Villach, southwards to a point on the Drave about 2 kilometres above St. Martin,

a line running approximately from north to south to be fixed on the ground;

thence in a north-westerly direction as far as a point about 1 kilometre south-east of the railway bridge on the eastern branch of the bend formed by the Drave about 6 kilometres to the east of Villach,

the course of the Drave;

thence in a south-westerly direction to point 1817 (Malestiger),

a line to be fixed on the ground passing through point 666 (Polana) and cutting the railway between Mallestig and Faak;

thence in an east-south-easterly direction, then north-east to point 1929 (Guchowa),

the watershed between the basins of the Drave to the north and the Save to the south;

thence north-east to point 1054 (Strojna),

a line to be fixed on the ground following in a general manner the western boundary of the basin of the Miess, passing through points 1538, 2124 and 1185;

thence north-east to point 1522 (Hühner Kogel),

a line to be fixed on the ground, crossing the Drave to the south of Lavamünd;

thence westwards to point 842, 1 kilometre west of Kasparstein,

a line to be fixed on the ground passing to the north of Lavamünd;

thence as far as point 1899 (Speikkogl),

the north-eastern administrative boundary of the district of Völkermarkt;

thence in a south-westerly direction and as far as the river Gurk,

the north-western administrative boundary of the district of Völkermarkt;

thence in a south-westerly direction as far as a point on the administrative boundary to the west of point 1075 (Steinbruch Kogel),

a line to be fixed on the ground, passing through point 1076;

thence in a westerly direction and as far as a point to be fixed near point 725, about 10 kilometres north-west of Klagenfurt,

the administrative boundary between the districts of St. Veit and Klagenfurt;

thence as far as point 871, which was the starting point of this description,

a line to be fixed on the ground, passing through points 815 (Freudenberg), 1045 (Gällinberg) and 1069 (Taubenbühel).

ARTICLE 50.

With a view to the organization of a plebiscite, the Klagenfurt area will be divided into two zones, the first to the south and the second to the north of a transversal line of which the following is a description:

From the point where the western boundary of the area leaves the Drave in a northerly direction as far as the point about 1 kilometre to the east of Rosegg (Saint-Michael),

the course of the Drave downstream;

thence in a north-easterly direction and as far as the western extremity of the Würther See, south of Velden,

a line to be fixed on the ground;

thence in an easterly direction to the outlet of the Glanfurt from the lake,

the median line of that lake;

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thence eastwards to its confluence with the river Glan,
the course of the Glanfurt downstream;
thence eastward to its confluence with the river Gurk,
the course of the Glan downstream;
thence in a north-easterly direction, to the point where the northern boundary of the Klagenfurt area crosses the river Gurk,
the course of the Gurk.

The Klagenfurt area will be placed under the control of a Commission entrusted with the duty of preparing the plebiscite in that area and assuring the impartial administration thereof. This Commission will be composed as follows: four members nominated respectively by the United States, Great Britain, France and Italy, one by Austria, one by the Serb-Croat-Slovene State, the Austrian member only taking part in the deliberations of the Commission in regard to the second zone, and the Serb-Croat-Slovene member only taking part therein with regard to the first zone. The decisions of the Commission will be taken by a majority.

The second zone will be occupied by the Austrian troops and administered in accordance with the general regulations of the Austrian legislation.

The first zone will be occupied by the troops of the Serb-Croat-Slovene State and administered in accordance with the general regulations of the legislation of that State.

In both zones the troops, whether Austrian or Serb-Croat-Slovene, shall be reduced to the numbers which the Commission may consider necessary for the preservation of order, and shall carry out their mission under the control of the Commission. These troops shall be replaced as speedily as possible by a police force recruited on the spot.

The Commission will be charged with the duty of arranging for the vote and of taking such measures as it may deem necessary to ensure its freedom, fairness and secrecy.

In the first zone the plebiscite will be held within three months from the coming into force of the present Treaty, at a date fixed by the Commission.

If the vote is in favour of the Serb-Croat-Slovene State, a plebiscite will be held in the second zone within three weeks from the proclamation of the result of the plebiscite in the first zone, at a date to be fixed by the Commission.

If on the other hand the vote in the first zone is in favour of Austria, no plebiscite will be held in the second zone, and the whole of the area will remain definitively under Austrian sovereignty.

The right of voting will be granted to every person without distinction of sex who:

- (a) Has attained the age of 20 years on or before January 1, 1919;
- (b) Has on January 1, 1919, his or her habitual residence within the zone subjected to the plebiscite; and,
- (c) Was born within the said zone, or has had his or her habitual residence of rights of citizenship (*pertinenza*) there from a date previous to January 1, 1912.

The result of the vote will be determined by the majority of votes in the whole or each zone.

On the conclusion of each vote the result will be communicated by the Commission to the Principal Allied and Associated Powers, with a full report as to the taking of the vote, and will be proclaimed.

If the vote is in favour of the incorporation either of the first zone or of both zones in the Serb-Croat-Slovene State, Austria hereby renounces, so far as she is concerned and to the extent corresponding to the result of the vote, in favour of the Serb-Croat-Slovene State all rights and title over these territories. After agreement with the Commission the Serb-Croat-Slovene Government may definitively establish its authority over the said territories.

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If the vote in the first or second zone is in favour of Austria, the Austrian Government, after agreement with the Commission, will be entitled definitively to re-establish its authority over the whole of the Klagenfurt area, or in the second zone, as the case may be.

When the administration of the country, either by the Serb-Croat-Slovene State or by Austria, as the case may be, has been thus assured, the powers of the Commission will terminate.

Expenditure by the Commission will be borne by Austria and the Serb-Croat-Slovene State in equal moieties.

ARTICLE 51.

The Serb-Croat-Slovene State accepts and agrees to embody in a Treaty with the Principal Allied and Associated Powers such provisions as may be deemed necessary by these Powers to protect the interests of inhabitants of that State who differ from the majority of the population in race, language or religion.

The Serb-Croat-Slovene State further accepts and agrees to embody in a Treaty with the Principal Allied and Associated Powers such provisions as these Powers may deem necessary to protect freedom of transit and equitable treatment of the commerce of other nations.

ARTICLE 52.

The proportion and nature of the financial obligations of the former Austrian Empire which the Serb-Croat-Slovene State will have to assume on account of the territory placed under its sovereignty will be determined in accordance with Article 203, Part IX (Financial Clauses), of the present Treaty.

Subsequent agreements will decide all questions which are not decided by the present Treaty and which may arise in consequence of the cession of the said territory.

SECTION III.

Czecho-Slovak State.

ARTICLE 53.

Austria, in conformity with the action already taken by the Allied and Associated Powers, recognizes the complete independence of the Czecho-Slovak State, which will include the autonomous territory of the Ruthenians to the south of the Carpathians.

ARTICLE 54.

Austria renounces so far as she is concerned in favour of the Czecho-Slovak State all rights and title over the territories of the former Austro-Hungarian Monarchy situated outside the frontiers of Austria as laid down in Article 27, Part II (Frontiers of Austria), and recognized in accordance with the present Treaty as forming part of the Czecho-Slovak State.

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ARTICLE 55.

A Commission composed of seven members, five nominated by the Principal Allied and Associated Powers, one by the Czecho-Slovak State, and one by Austria, will be appointed within fifteen days from the coming into force of the present Treaty to trace on the spot the frontier line laid down in Article 27, 6, Part II (Frontiers of Austria), of the present Treaty.

The decisions of this Commission will be taken by a majority and shall be binding on the parties concerned.

ARTICLE 56.

The Czecho-Slovak State undertakes not to erect any military works in that portion of its territory which lies on the right bank of the Danube to the south of Bratislava (Pressburg).

ARTICLE 57.

The Czecho-Slovak State accepts and agrees to embody in a Treaty with the Principal Allied and Associated Powers such provisions as may be deemed necessary by these Powers to protect the interests of inhabitants of that State who differ from the majority of the population in race, language or religion.

The Czecho-Slovak State further accepts and agrees to embody in a Treaty with the Principal Allied and Associated Powers such provisions as these Powers may deem necessary to protect freedom of transit and equitable treatment for the commerce of other nations.

ARTICLE 58.

The proportion and nature of the financial obligations of the former Austrian Empire which the Czecho-Slovak State will have to assume on account of the territory placed under its sovereignty will be determined in accordance with Article 203, Part IX (Financial Clauses), of the present Treaty.

Subsequent agreements will decide all questions which are not decided by the present Treaty and which may arise in consequence of the cession of the said territory.

SECTION IV.

Roumania.

ARTICLE 59.

Austria renounces, so far as she is concerned, in favour of Roumania all rights and title over such portion of the former Duchy of Bukovina as lies within the frontiers of Roumania which may ultimately be fixed by the Principal Allied and Associated Powers.

ARTICLE 60.

Roumania accepts and agrees to embody in a Treaty with the Principal Allied and Associated Powers such provisions as may be deemed necessary by these Powers to protect the interests of inhabitants of that State who differ from the majority of the population in race, language or religion.

Roumania further accepts and agrees to embody in a Treaty with the Principal Allied and Associated Powers such provisions as these Powers may deem necessary to protect freedom of transit and equitable treatment for the commerce of other nations.

ARTICLE 61.

The proportion and nature of the financial obligations of the former Austrian Empire which Roumania will have to assume on account of the territory placed under her sovereignty will be determined in accordance with Article 203, Part IX (Financial Clauses), of the present Treaty.

Subsequent agreements will decide all questions which are not decided by the present Treaty and which may arise in consequence of the cession of the said territory.

SECTION V.

Protection of Minorities.

ARTICLE 62.

Austria undertakes that the stipulations contained in this Section shall be recognized as fundamental laws, and that no law, regulation or official action shall conflict or interfere with these stipulations, nor shall any law, regulation or official action prevail over them.

ARTICLE 63.

Austria undertakes to assure full and complete protection of life and liberty to all inhabitants of Austria without distinction of birth, nationality, language, race or religion.

All inhabitants of Austria shall be entitled to the free exercise, whether public or private, of any creed, religion or belief, whose practices are not inconsistent with public order or public morals.

ARTICLE 64.

Austria admits and declares to be Austrian nationals *ipso facto* and without the requirement of any formality all persons possessing at the date of the coming into force of the present Treaty rights of citizenship (*pertinenza*) within Austrian territory who are not nationals of any other State.

ARTICLE 65.

All persons born in Austrian territory who are not born nationals of another State shall *ipso facto* become Austrian nationals.

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ARTICLE 66.

All Austrian nationals shall be equal before the law and shall enjoy the same civil and political rights without distinction as to race, language or religion.

Differences of religion, creed or confession shall not prejudice any Austrian national in matters relating to the enjoyment of civil or political rights, as for instance, admission to public employments, functions and honours, or the exercise of professions and industries.

No restriction shall be imposed on the free use by any Austrian national of any language in private intercourse, in commerce, in religion, in the press or in publications of any kind, or at public meetings.

Notwithstanding any establishment by the Austrian Government of an official language, adequate facilities shall be given to Austrian nationals of non-German speech for the use of their language, either orally or in writing, before the courts.

ARTICLE 67.

Austrian nationals who belong to racial, religious or linguistic minorities shall enjoy the same treatment and security in law and in fact as the other Austrian nationals. In particular they shall have an equal right to establish, manage and control at their own expense charitable, religious and social institutions, schools and other educational establishments, with the right to use their own language and to exercise their religion freely therein.

ARTICLE 68.

Austria will provide in the public educational system in towns and districts in which a considerable proportion of Austrian nationals of other than German speech are resident adequate facilities for ensuring that in the primary schools the instruction shall be given to the children of such Austrian nationals through the medium of their own language. This provision shall not prevent the Austrian Government from making the teaching of the German language obligatory in the said schools.

In towns and districts where there is a considerable proportion of Austrian nationals belonging to racial, religious or linguistic minorities, these minorities shall be assured an equitable share in the enjoyment and application of the sums which may be provided out of public funds under the State, municipal or other budgets for educational, religious or charitable purposes.

ARTICLE 69.

Austria agrees that the stipulations in the foregoing Articles of this Section, so far as they affect persons belonging to racial, religious or linguistic minorities, constitute obligations of international concern and shall be placed under the guarantee of the League of Nations. They shall not be modified without the assent of a majority of the Council of the League of Nations. The Allied and Associated Powers represented on the Council severally agree not to withhold their assent from any modification in these Articles which is in due form assented to by a majority of the Council of the League of Nations.

Austria agrees that any Member of the Council of the League of Nations shall have the right to bring to the attention of the Council any infraction, or any danger of infraction, of any of these obligations, and that the Council may thereupon take such action and give such direction as it may deem proper and effective in the circumstances.

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Austria further agrees that any difference of opinion as to questions of law or fact arising out of these Articles between the Austrian Government and any one of the Principal Allied and Associated Powers or any other Power, a Member of the Council of the League of Nations, shall be held to be a dispute of an international character under Article 14 of the Covenant of the League of Nations. The Austrian Government hereby consents that any such dispute shall, if the other party thereto demands, be referred to the Permanent Court of International Justice. The decision of the Permanent Court shall be final and shall have the same force and effect as an award under Article 13 of the Covenant.

SECTION VI.

Clauses relating to Nationality.

ARTICLE 70.

Every person possessing rights of citizenship (*pertinenza*) in territory which formed part of the territories of the former Austro-Hungarian Monarchy shall obtain *ipso facto* to the exclusion of Austrian nationality the nationality of the State exercising sovereignty over such territory.

ARTICLE 71.

Notwithstanding the provisions of Article 70, Italian nationality shall not, in the case of territory transferred to Italy, be acquired *ipso facto*:

(1) by persons possessing rights of citizenship in such territory who were not born there;

(2) by persons who acquired their rights of citizenship in such territory after May 24, 1915, or who acquired them only by reason of their official position.

ARTICLE 72.

The persons referred to in Article 71, as well as those who:

(a) formerly possessed rights of citizenship in the territories transferred to Italy, or whose father, or mother if the father is unknown, possessed rights of citizenship in such territories, or

(b) have served in the Italian Army during the present war, and their descendants, may claim Italian nationality subject to the conditions prescribed in Article 78 for the right of option.

ARTICLE 73.

The claim to Italian nationality by the persons referred to in Article 72 may in individual cases be refused by the competent Italian authority.

ARTICLE 74.

Where the claim to Italian nationality under Article 72 is not made, or is refused, the persons concerned will obtain *ipso facto* the nationality of the State exercising sovereignty over the territory in which they possessed rights of citizenship before acquiring such rights in the territory transferred to Italy.

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ARTICLE 75.

Juridical persons established in the territories transferred to Italy shall be considered Italian if they are recognized as such either by the Italian administrative authorities or by an Italian judicial decision.

ARTICLE 76.

Notwithstanding the provisions of Article 70, persons who acquired rights of citizenship after January 1, 1910, in territory transferred under the present Treaty to the Serb-Croat-Slovene State, or to the Czecho-Slovak State, will not acquire Serb-Croat-Slovene or Czecho-Slovak nationality without a permit from the Serb-Croat-Slovene State or the Czecho-Slovak State respectively.

ARTICLE 77.

If the permit referred to in Article 76 is not applied for, or is refused, the persons concerned will obtain *ipso facto* the nationality of the State exercising sovereignty over the territory in which they previously possessed rights of citizenship.

ARTICLE 78.

Persons over 18 years of age losing their Austrian nationality and obtaining *ipso facto* a new nationality under Article 70 shall be entitled within a period of one year from the coming into force of the present Treaty to opt for the nationality of the State in which they possessed rights of citizenship before acquiring such rights in the territory transferred.

Option by a husband will cover his wife and option by parents will cover their children under 18 years of age.

Persons who have exercised the above right to opt must within the succeeding twelve months transfer their place of residence to the State for which they have opted.

They will be entitled to retain their immovable property in the territory of the other State where they had their place of residence before exercising their right to opt.

They may carry with them their movable property of every description. No export or import duties may be imposed upon them in connection with the removal of such property.

ARTICLE 79.

Persons entitled to vote in plebiscites provided for in the present Treaty shall within a period of six months after the definitive attribution of the area in which the plebiscite has taken place be entitled to opt for the nationality of the State to which the area is not assigned. The provisions of Article 78 relating to the right of option shall apply equally to the exercise of the right under this article.

ARTICLE 80.

Persons possessing rights of citizenship in territory forming part of the former Austro-Hungarian Monarchy, and differing in race and language from the majority of the population of such territory, shall within six months from the coming into

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force of the present Treaty severally be entitled to opt for Austria, Italy, Poland, Roumania, the Serb-Croat-Slovene State, or the Czecho-Slovak State, if the majority of the population of the State selected is of the same race and language as the person exercising the right to opt. The provisions of Article 78 as to the exercise of the right of option shall apply to the right of option given by this Article.

ARTICLE 81.

The High Contracting Parties undertake to put no hindrance in the way of the exercise of the right which the persons concerned have under the present Treaty, or under treaties concluded by the Allied and Associated Powers with Germany, Hungary or Russia, or between any of the Allied and Associated Powers themselves, to choose any other nationality which may be open to them.

ARTICLE 82.

For the purposes of the provisions of this Section, the status of a married woman will be governed by that of her husband, and the status of children under 18 years of age by that of their parents.

SECTION VII.

Political Clauses relating to certain European States.

1. BELGIUM.

ARTICLE 83.

Austria, recognizing that the Treaties of April 19, 1839, which established the status of Belgium before the war, no longer conform to the requirements of the situation, consents so far as she is concerned to the abrogation of the said treaties, and undertakes immediately to recognize and to observe whatever conventions may be entered into by the Principal Allied and Associated Powers, or by any of them, in concert with the Governments of Belgium and of the Netherlands, to replace the said Treaties of 1839. If her formal adhesion should be required to such conventions or to any of their stipulations, Austria undertakes immediately to give it.

2. LUXEMBURG.

ARTICLE 84.

Austria agrees, so far as she is concerned, to the termination of the régime of neutrality of the Grand Duchy of Luxemburg, and accepts in advance all international arrangements which may be concluded by the Allied and Associated Powers relating to the Grand Duchy.

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3. SCHLESWIG.

ARTICLE 85.

Austria hereby accepts so far as she is concerned all arrangements made by the Allied and Associated Powers with Germany concerning the territories whose abandonment was imposed upon Denmark by the Treaty of October 30, 1864.

4. TURKEY AND BULGARIA.

ARTICLE 86.

Austria undertakes to recognize and accept so far as she is concerned all arrangements which the Allied and Associated Powers may make with Turkey and with Bulgaria with reference to any rights, interests and privileges whatever which might be claimed by Austria or her nationals in Turkey or Bulgaria and which are not dealt with in the provisions of the present Treaty.

5. RUSSIA AND RUSSIAN STATES.

ARTICLE 87.

1. Austria acknowledges and agrees to respect as permanent and inalienable the independence of all the territories which were part of the former Russian Empire on August 1, 1914.

In accordance with the provisions of Article 210, Part IX (Financial Clauses), and Article 244, Part X (Economic Clauses), of the present Treaty, Austria accepts definitely so far as she is concerned the abrogation of the Brest-Litovsk Treaties and of all treaties, conventions and agreements entered into by the former Austro-Hungarian Government with the Maximalist Government in Russia.

The Allied and Associated Powers formally reserve the rights of Russia to obtain from Austria restitution and reparation based on the principles of the present Treaty.

2. Austria undertakes to recognize the full force of all treaties or agreements which may be entered into by the Allied and Associated Powers with States now existing or coming into existence in future in the whole or part of the former Empire of Russia as it existed on August 1, 1914, and to recognize the frontiers of any such States as determined therein.

SECTION VIII.

General Provisions.

ARTICLE 88.

The independence of Austria is inalienable otherwise than with the consent of the Council of the League of Nations. Consequently Austria undertakes in the absence of the consent of the said Council to abstain from any act which might directly or indirectly or by any means whatever compromise her independence, particularly, and until her admission to membership of the League of Nations, by participation in the affairs of another Power.

ARTICLE 89.

Austria hereby recognizes and accepts the frontiers of Bulgaria, Greece, Hungary, Poland, Roumania, the Serb-Croat-Slovene State and the Czecho-Slovak State as these frontiers may be determined by the Principal Allied and Associated Powers.

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ARTICLE 90.

Austria undertakes to recognize the full force of the Treaties of Peace and additional conventions which have been or may be concluded by the Allied or Associated Powers with the Powers who fought on the side of the former Austro-Hungarian Monarchy, and to recognize whatever dispositions have been or may be made concerning the territories of the former German Empire, of Hungary, of the Kingdom of Bulgaria and of the Ottoman Empire, and to recognize the new States within their frontiers as there laid down.

ARTICLE 91.

Austria renounces so far as she is concerned in favour of the Principal Allied and Associated Powers all rights and title over the territories which previously belonged to the former Austro-Hungarian Monarchy and which, being situated outside the new frontiers of Austria as described in Article 27, Part II (Frontiers of Austria), have not at present been assigned to any State.

Austria undertakes to accept the settlement made by the Principal Allied and Associated Powers in regard to these territories, particularly in so far as concerns the nationality of the inhabitants.

ARTICLE 92.

No inhabitant of the territories of the former Austro-Hungarian Monarchy shall be disturbed or molested on account either of his political attitude between July 28, 1914, and the definitive settlement of the sovereignty over these territories, or of the determination of his nationality effected by the present Treaty.

ARTICLE 93.

Austria will hand over without delay to the Allied and Associated Governments concerned archives, registers, plans, title-deeds and documents of every kind belonging to the civil, military, financial, judicial or other forms of administration in the ceded territories. If any one of these documents, archives, registers, title-deeds or plans is missing, it shall be restored by Austria upon the demand of the Allied or Associated Government concerned.

In case the archives, registers, plans, title-deeds or documents referred to in the preceding paragraph, exclusive of those of a military character, concern equally the administrations in Austria, and cannot therefore be handed over without inconvenience to such administrations, Austria undertakes, subject to reciprocity, to give access thereto to the Allied and Associated Governments concerned.

ARTICLE 94.

Separate conventions between Austria and each of the States to which territory of the former Austrian Empire is transferred, and each of the States arising from the dismemberment of the former Austro-Hungarian Monarchy, will provide for the interests of the inhabitants, especially in connection with their civil rights, their commerce and the exercise of their professions.

PART IV.

AUSTRIAN INTERESTS OUTSIDE EUROPE.

ARTICLE 95.

In territory outside her frontiers as fixed by the present Treaty Austria renounces so far as she is concerned all rights, titles and privileges whatever in or over territory outside Europe which belonged to the former Austro-Hungarian Monarchy, or to its allies, and all rights, titles and privileges whatever their origin which it held as against the Allied and Associated Powers.

Austria undertakes immediately to recognize and to conform to the measures which may be taken now or in the future by the Principal Allied and Associated Powers, in agreement where necessary with third Powers, in order to carry the above stipulation into effect.

SECTION I.

Morocco.

ARTICLE 96.

Austria renounces so far as she is concerned all rights, titles and privileges conferred on her by the General Act of Algeciras of April 7, 1906, and by the Franco-German Agreements of February 9, 1909 and November 4, 1911. All treaties, agreements, arrangements and contracts concluded by the former Austro-Hungarian Monarchy with the Sherifian Empire are regarded as abrogated as from August 12, 1914.

In no case can Austria avail herself of these acts and she undertakes not to intervene in any way in negotiations relating to Morocco which may take place between France and the other Powers.

ARTICLE 97.

Austria hereby accepts all the consequences of the establishment of the French Protectorate in Morocco, which had been recognized by the Government of the former Austro-Hungarian Monarchy, and she renounces so far as she is concerned the régime of the capitulations in Morocco.

This renunciation shall take effect as from August 12, 1914.

ARTICLE 98.

The Sherifian Government shall have complete liberty of action in regulating the status of Austrian nationals in Morocco and the conditions in which they can establish themselves there.

Austrian protected persons, semsars and "associés agricoles" shall be considered to have ceased, as from August 12, 1914, to enjoy the privileges attached to their status and shall be subject to the ordinary law.

ARTICLE 99.

All movable and immovable property in the Sherifian Empire belonging to the former Austro-Hungarian Monarchy passes *ipso facto* to the Maghzen without compensation.

For this purpose, the property and possessions of the former Austro-Hungarian Monarchy shall be deemed to include all the property of the Crown, and the private property of members of the former Royal Family of Austria-Hungary.

All movable and immovable property in the Sherifian Empire belonging to Austrian nationals shall be dealt with in accordance with Sections III and IV of Part X (Economic Clauses) of the present Treaty.

Mining rights which may be recognized as belonging to Austrian nationals by the Court of Arbitration set up under the Moroccan Mining Regulations shall be treated in the same way as property in Morocco belonging to Austrian nationals.

ARTICLE 100.

The Austrian Government shall ensure the transfer to the person nominated by the French Government of the shares representing Austria's portion of the capital of the State Bank of Morocco. This person will repay to the persons entitled thereto the value of these shares, which shall be indicated by the State Bank.

This transfer will take place without prejudice to the repayment of debts which Austrian nationals may have contracted towards the State Bank of Morocco.

ARTICLE 101.

Moroccan goods entering Austria shall enjoy the treatment accorded to French goods.

SECTION II.

Egypt.

ARTICLE 102.

Austria declares that she recognizes the Protectorate proclaimed over Egypt by Great Britain on December 18, 1914, and that she renounces so far as she is concerned the régime of the capitulations in Egypt.

This renunciation shall take effect as from August 12, 1914.

ARTICLE 103.

All treaties, agreements, arrangements and contracts concluded by the Government of the former Austro-Hungarian Monarchy with Egypt are regarded as abrogated as from August 12, 1914.

In no case can Austria avail herself of these instruments, and she undertakes not to intervene in any way in negotiations relating to Egypt which may take place between Great Britain and the other Powers.

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ARTICLE 104.

Until an Egyptian law of judicial organization establishing courts with universal jurisdiction comes into force, provision shall be made, by means of decrees issued by His Highness the Sultan, for the exercise of jurisdiction over Austrian nationals and property by the British Consular Tribunals.

ARTICLE 105.

The Egyptian Government shall have complete liberty of action in regulating the status of Austrian nationals and the conditions under which they may establish themselves in Egypt.

ARTICLE 106.

Austria consents, so far as she is concerned, to the abrogation of the decree issued by His Highness the Khedive on November 28, 1904, relating to the Commission of the Egyptian Public Debt, or to such changes as the Egyptian Government may think it desirable to make therein.

ARTICLE 107.

Austria consents, so far as she is concerned, to the transfer to His Britannic Majesty's Government of the powers conferred on His Imperial Majesty the Sultan by the Convention signed at Constantinople on October 29, 1888, relating to the free navigation of the Suez Canal.

She renounces all participation in the Sanitary, Maritime, and Quarantine Board of Egypt and consents, so far as she is concerned, to the transfer to the Egyptian Authorities of the powers of that Board.

ARTICLE 108.

All property and possessions in Egypt of the former Austro-Hungarian Monarchy pass to the Egyptian Government without payment.

For this purpose, the property and possessions of the former Austro-Hungarian Monarchy shall be deemed to include all the property of the Crown, and the private property of members of the former Royal Family of Austria-Hungary.

All movable and immovable property in Egypt belonging to Austrian nationals shall be dealt with in accordance with Sections III and IV of Part X (Economic Clauses) of the present Treaty.

ARTICLE 109.

Egyptian goods entering Austria shall enjoy the treatment accorded to British goods.

SECTION III.

Siam.

ARTICLE 110.

Austria recognizes, so far as she is concerned, that all treaties, conventions and agreements between the former Austro-Hungarian Monarchy and Siam, and all rights, title and privileges derived therefrom, including all rights of extra territorial jurisdiction, terminated as from July 22, 1917.

ARTICLE 111.

Austria, so far as she is concerned, cedes to Siam all her rights over the goods and property in Siam which belonged to the former Austro-Hungarian Monarchy, with the exception of premises used as diplomatic or consular residences or offices as well as the effects and furniture which they contain. These goods and property pass *ipso facto* and without compensation to the Siamese Government.

The goods, property and private rights of Austrian nationals in Siam shall be dealt with in accordance with the provisions of Part X (Economic Clauses) of the present Treaty.

ARTICLE 112.

Austria waives all claims against the Siamese Government on behalf of herself or her nationals arising out of the liquidation of Austrian property or the internment of Austrian nationals in Siam. This provision shall not affect the rights of the parties interested in the proceeds of any such liquidation, which shall be governed by the provisions of Part X (Economic Clauses) of the present Treaty.

SECTION IV.

China.

ARTICLE 113.

Austria renounces, so far as she is concerned, in favour of China all benefits and privileges resulting from the provisions of the final Protocol signed at Peking on September 7, 1901, and from all annexes, notes and documents supplementary thereto. She likewise renounces in favour of China any claim to indemnities accruing thereunder subsequent to August 14, 1917.

ARTICLE 114.

From the coming into force of the present Treaty the High Contracting Parties shall apply, in so far as concerns them respectively:

(1) the Arrangement of August 29, 1902, regarding the new Chinese customs tariff;

(2) the Arrangement of September 27, 1905, regarding Whang-Poo, and the provisional supplementary Arrangement of April 4, 1912.

China, however, will not be bound to grant to Austria the advantages or privileges which she allowed to the former Austro-Hungarian Monarchy under these Arrangements.

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ARTICLE 115.

Austria, so far as she is concerned, cedes to China all her rights over the buildings, wharves and pontoons, barracks, forts, arms and munitions of war, vessels of all kinds, wireless telegraphy installations and other public property which belonged to the former Austro-Hungarian Monarchy, and which are situated or may be in the Austro-Hungarian Concession at Tientsin or elsewhere in Chinese territory.

It is understood, however, that premises used as diplomatic or consular residences or offices, as well as the effects and furniture contained therein, are not included in the above cession, and, furthermore, that no steps shall be taken by the Chinese Government to dispose of the public and private property belonging to the former Austro-Hungarian Monarchy situated within the so-called Legation Quarter at Peking without the consent of the Diplomatic Representatives of the Powers which, on the coming into force of the present Treaty, remain parties to the Final Protocol of September 7, 1901.

ARTICLE 116.

Austria agrees, so far as she is concerned, to the abrogation of the leases from the Chinese Government under which the Austro-Hungarian Concession at Tientsin is now held.

China, restored to the full exercise of her sovereign rights in the above area, declares her intention of opening it to international residence and trade. She further declares that the abrogation of the leases under which the said concession is now held shall not affect the property rights of nationals of Allied and Associated Powers who are holders of lots in this concession.

ARTICLE 117.

Austria waives all claims against the Chinese Government or against any Allied or Associated Government arising out of the internment of Austrian nationals in China and their repatriation. She equally renounces, so far as she is concerned, all claims arising out of the capture and condemnation of Austro-Hungarian ships in China, or the liquidation, sequestration or control of Austrian properties, rights and interests in that country since August 14, 1917. This provision, however, shall not affect the rights of the parties interested in the proceeds of any such liquidation, which shall be governed by the provisions of Part X (Economic Clauses) of the present Treaty.

PART V.

MILITARY, NAVAL AND AIR CLAUSES.

In order to render possible the initiation of a general limitation of the armaments of all nations, Austria undertakes strictly to observe the military, naval and air clauses which follow.

SECTION I.

Military Clauses.

CHAPTER I.

GENERAL.

ARTICLE 118.

Within three months from the coming into force of the present Treaty, the military forces of Austria shall be demobilized to the extent prescribed hereinafter.

ARTICLE 119.

Universal compulsory military service shall be abolished in Austria. The Austrian Army shall in future only be constituted and recruited by means of voluntary enlistment.

CHAPTER II.

EFFECTIVES AND CADRES OF THE AUSTRIAN ARMY.

ARTICLE 120.

The total number of military forces in the Austrian Army shall not exceed 30,000 men, including officers and depot troops.

Subject to the following limitations, the formations composing the Austrian Army shall be fixed in accordance with the wishes of Austria:

(1) The effectives of units must be fixed between the maximum and minimum figures shown in Table IV annexed to this Section.

(2) The proportion of officers, including the personnel of staffs and special services, shall not exceed one-twentieth of the total effectives with the colours, and that of non-commissioned officers shall not exceed one-fifteenth of the total effectives with the colours.

(3) The number of machine guns, guns and howitzers shall not exceed per thousand men of the total effectives with the colours those fixed in Table V annexed to this Section.

The Austrian Army shall be devoted exclusively to the maintenance of order within the territory of Austria, and to the control of her frontiers.

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ARTICLE 121.

The maximum strength of the Staffs and of all formations which Austria may be permitted to raise are given in the Tables annexed to this Section; these figures need not be exactly followed, but must not be exceeded.

All other organizations for the command of troops or for preparation for war are forbidden.

ARTICLE 122.

All measures of mobilization, or appertaining to mobilization, are forbidden.

In no case must formations, administrative services or staffs include supplementary cadres.

The carrying out of any preparatory measures with a view to requisitioning animals or other means of military transport is forbidden.

ARTICLE 123.

The number of gendarmes, customs officers, foresters, members of the local or municipal police or other like officials may not exceed the number of men employed in a similar capacity in 1913 within the boundaries of Austria as fixed by the present Treaty.

The number of these officials shall not be increased in the future except as may be necessary to maintain the same proportion between the number of officials and the total population in the localities or municipalities which employ them.

These officials, as well as officials employed in the railway service, must not be assembled for the purpose of taking part in any military exercises.

ARTICLE 124.

Every formation of troops not included in the Tables annexed to this Section is forbidden. Such other formations as may exist in excess of the 30,000 effectives authorized shall be suppressed within the period laid down by Article 118.

CHAPTER III.

RECRUITING AND MILITARY TRAINING.

ARTICLE 125.

All officers must be regulars (*officers de carrière*). Officers now serving who are retained in the Army must undertake the obligation to serve in it up to the age of 40 years at least. Officers now serving who do not join the new army will be released from all military obligations; they must not take part in any military exercises, whether theoretical or practical.

Officers newly appointed must undertake to serve on the active list for 20 consecutive years at least.

The number of officers discharged for any reason before the expiration of their term of service must not exceed in any year one-twentieth of the total of officers provided for in Article 120. If this proportion is unavoidably exceeded the resulting shortage must not be made good by fresh appointments.

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ARTICLE 126.

The period of enlistment for non-commissioned officers and privates must be for a total period of not less than 12 consecutive years, including at least 6 years with the colours.

The proportion of men discharged before the expiration of the period of their enlistment for reasons of health or as a result of disciplinary measures or for any other reasons must not in any year exceed one-twentieth of the total strength fixed by Article 120. If this proportion is unavoidably exceeded, the resulting shortage must not be made good by fresh enlistments.

CHAPTER IV.

SCHOOLS, EDUCATIONAL ESTABLISHMENTS, MILITARY CLUBS AND SOCIETIES.

ARTICLE 127.

The number of students admitted to attend the course in military schools shall be strictly in proportion to the vacancies to be filled in the cadres of officers. The students and the cadres shall be included in the effectives fixed by Article 120.

Consequently all military schools not required for this purpose shall be abolished.

ARTICLE 128.

Educational establishments, other than those referred to in Article 127, as well as all sporting and other clubs, must not occupy themselves with any military matters.

CHAPTER V.

ARMAMENT, MUNITIONS AND MATERIAL, FORTIFICATIONS.

ARTICLE 129.

On the expiration of three months from the coming into force of the present Treaty, the armament of the Austrian Army shall not exceed the figures fixed per thousand men in Table V annexed to this Section.

Any excess in relation to effectives shall only be used for such replacements as may eventually be necessary.

ARTICLE 130.

The stock of munitions at the disposal of the Austrian Army shall not exceed the amounts fixed in Table V annexed to this Section.

Within three months from the coming into force of the present Treaty the Austrian Government shall deposit any existing surplus of armament and munitions in such places as shall be notified to it by the Principal Allied and Associated Powers.

No other stock, depot or reserve of munitions shall be formed.

ARTICLE 131.

The number and calibre of guns constituting the fixed normal armament of fortified places existing at the present moment in Austria shall be immediately notified to the Principal Allied and Associated Powers, and will constitute maximum amounts which must not be exceeded.

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Within three months from the coming into force of the present Treaty the maximum stock of ammunition for these guns shall be reduced to and maintained at the following uniform rates:—

- 1,500 rounds per gun for those the calibre of which is 105 mm. and under;
- 500 rounds per gun for those of higher calibre.

ARTICLE 132.

The manufacture of arms, munitions and war material shall only be carried on in one single factory, which shall be controlled by and belong to the State, and whose output shall be strictly limited to the manufacture of such arms, munitions and war material as is necessary for the military forces and armaments referred to in Articles 120, 123, 129, 130 and 131.

The manufacture of sporting weapons is not forbidden, provided that sporting weapons manufactured in Austria taking ball cartridge are not of the same calibre as that of military weapons used in any European army.

Within three months from the coming into force of the present Treaty, all other establishments for the manufacture, preparation, storage or design of arms, munitions or any other war material shall be closed down or converted to purely commercial uses.

Within the same length of time, all arsenals shall also be closed down, except those to be used as depots for the authorized stocks of munitions, and their staffs discharged.

The plant of any establishments or arsenals in excess of the amount required for the manufacture authorized shall be rendered useless or converted to purely commercial purposes in accordance with the decisions of the Military Inter-Allied Commission of Control referred to in Article 153.

ARTICLE 133.

Within three months from the coming into force of the present Treaty, all arms, munitions and war material, including any kind of anti-aircraft material, of whatever origin, existing in Austria in excess of the quantity authorized shall be handed over to the Principal Allied and Associated Powers.

Delivery shall take place at such points in Austrian territory as may be appointed by the said Powers, who shall also decide on the disposal of such material.

ARTICLE 134.

The importation into Austria of arms, munitions and war material of all kinds is strictly forbidden.

The manufacture for foreign countries and the exportation of arms, munitions and war material shall also be forbidden.

ARTICLE 135.

The use of flame throwers, asphyxiating, poisonous or other gases, and all similar liquids, materials or devices being prohibited, their manufacture and importation are strictly forbidden in Austria.

Material specially intended for the manufacture, storage or use of the said products or devices is equally forbidden.

The manufacture and importation into Austria of armoured cars, tanks or any similar machines suitable for use in war are equally forbidden.

TABLE I.

COMPOSITION AND MAXIMUM EFFECTIVES OF AN INFANTRY DIVISION.

Units.	Maximum Effectives of Each Unit.	
	Officers.	Men.
Headquarters of an Infantry Division.....	25	70
Headquarters of Divisional Infantry.....	5	50
Headquarters of Divisional Artillery.....	4	30
3 Regiments of infantry (1) (on the basis of 65 officers and 2,000 men per regiment)	195	6,000
1 Squadron.....	6	160
1 Battalion of Trench Artillery (3 Companies).....	14	500
1 Battalion of Pioneers (2) (3 Companies).....	14	500
Regiment Field Artillery (3).....	80	1,200
1 Battalion Cyclists (comprising 3 Companies).....	18	450
1 Signal Detachment (4).....	11	330
Divisional medical corps.....	28	550
Divisional parks and trains.....	14	940
Total for an Infantry Division.....	414	10,780

- (1) Each Regiment comprises 3 Battalions of Infantry. Each Battalion comprises 3 Companies of infantry and 1 Machine gun Company.
- (2) Each Battalion comprises 1 Headquarters, 2 Pioneer Companies, 1 Bridging Section, 1 Searchlight Section.
- (3) Each Regiment comprises 1 Headquarters, 3 Groups of Field or Mountain Artillery, comprising 8 Batteries; each Battery comprising 4 guns or howitzers (field or mountain).
- (4) This Detachment comprises: telephone detachment, 1 listening section, 1 carrier pigeon section.

TABLE II.

COMPOSITION AND MAXIMUM EFFECTIVES FOR A CAVALRY DIVISION.

Units.	Maximum Number Authorized.	Maximum Effectives of Each Unit.	
		Officers.	Men.
Headquarters of a Cavalry Division.....	1	15	50
Regiment of Cavalry (1).....	6	30	720
Group of Field Artillery (3 Batteries).....	1	30	430
Group of motor machine guns and armoured cars (2).....	1	4	80
Miscellaneous services.....		30	500
Total for a Cavalry Division.....		259	5,380

- (1) Each Regiment comprises 4 Squadrons.
- (2) Each group comprises 9 fighting cars, each carrying one gun, 1 machine gun, and 1 spare machine gun, 4 communication cars, 2 small lorries for stores, 7 lorries, including 1 repair lorry, 4 motor cycles.

NOTE.—The large Cavalry Units may include a variable number of regiments and be divided into independent brigades within the limit of the effectives laid down above.

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TABLE III.

COMPOSITION AND MAXIMUM EFFECTIVES FOR A MIXED BRIGADE.

Units.	Maximum Effectives of Each Unit.	
	Officers.	Men.
Headquarters of a Brigade.....	10	50
2 Regiments of Infantry (1).....	130	4,000
1 Cyclist Battalion.....	18	450
1 Cavalry Squadron.....	5	100
1 Group Field Artillery.....	20	400
1 Trench Mortar Company.....	5	150
Miscellaneous services.....	10	200
Total for Mixed Brigade.....	198	5,350

(1) Each Regiment comprises 3 Battalions of Infantry. Each Battalion comprises 3 Companies of Infantry and 1 Machine gun Company.

TABLE IV.

MINIMUM EFFECTIVES OF UNITS WHATEVER ORGANIZATION IS ADOPTED IN THE ARMY.

(Divisions, Mixed Brigades, etc.)

Units.	Maximum Effectives. (for reference.)		Minimum Effectives.	
	Officers.	Men.	Officers.	Men.
Infantry Division.....	414	10,780	300	8,000
Cavalry Division.....	259	5,380	180	3,650
Mixed Brigade.....	198	5,350	140	4,250
Regiment of Infantry.....	65	2,060	52	1,600
Battalion of Infantry.....	16	650	12	500
Company of Infantry or Machine guns.....	3	160	2	120
Cyclist Group.....	18	450	12	300
Regiment of Cavalry.....	30	720	20	450
Squadron of Cavalry.....	6	160	3	100
Regiment of Field Artillery.....	80	1,200	60	1,000
Battery of Field Artillery.....	4	150	2	120
Company of Trench Mortars.....	3	150	2	100
Battalion of Pioneers.....	14	500	8	300
Battery of Mountain Artillery.....	5	320	3	200

TABLE V.

MAXIMUM AUTHORIZED ARMAMENTS AND MUNITION SUPPLIES.

Material.	Quantity for 1,000 men.	Amount of Munitions per arm (rifles, guns, etc.).
Rifles or Carbines (1).....	1,150	500 rounds.
Machine guns, heavy or light.....	15	10,000 rounds.
Trench Mortars, light.....	2	1,000 rounds.
Trench Mortars, medium.....	2	500 rounds.
Guns or howitzers (field or mountain).....	3	1,000 rounds.

(1) Automatic rifles or carbines are counted as light machine guns.

No heavy gun, i.e. of a calibre greater than 105 mm. is authorized, with the exception of the normal armament of fortified places.

SECTION II.

Naval Clauses.

ARTICLE 136.

From the date of the coming into force of the present Treaty all Austro-Hungarian warships, submarines included, are declared to be finally surrendered to the Principal Allied and Associated Powers.

All the monitors, torpedo boats and armed vessels of the Danube Flotilla will be surrendered to the Principal Allied and Associated Powers.

Austria will, however, have the right to maintain on the Danube for the use of the river police three patrol boats to be selected by the Commission referred to in Article 154 of the present Treaty.

ARTICLE 137.

The Austro-Hungarian auxiliary cruisers and fleet auxiliaries enumerated below will be disarmed and treated as merchant ships:

Bosnia.

Gablonz.

Carolina.

Africa.

Tirol.

Argentina.

Lussin.

Teodo.

Nixe.

Gigante.

Dalmat.

Persia.

Prince Hohenlohe.

Gastein.

Helouan.

Graf Wurmbrand.

Pelikan.

Herkules.

Pola.

Najade.

Pluto.

*President Wilson (ex-Kaiser
Franz Joseph)*

Trieste.

Baron Bruck.

Elizabet

Melcavich.

Baron Call.

Gaea.

Cyclop.

Vesta.

Nymphe.

Buffel.

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ARTICLE 138.

All warships, including submarines, now under construction in Austrian ports, or in ports which previously belonged to the Austro-Hungarian Monarchy, shall be broken up.

The work of breaking up these vessels will be commenced as soon as possible after the coming into force of the present Treaty.

ARTICLE 139.

Articles, machinery and material arising from the breaking up of Austro-Hungarian warships of all kinds, whether surface vessels or submarines, may not be used except for purely industrial or commercial purposes.

They may not be sold or disposed of to foreign countries.

ARTICLE 140.

The construction or acquisition of any submarine, even for commercial purposes, shall be forbidden in Austria.

ARTICLE 141.

All arms, ammunition and other naval war material, including mines and torpedoes, which belonged to Austria-Hungary at the date of the signature of the Armistice of November 3, 1918, are declared to be finally surrendered to the Principal Allied and Associated Powers.

ARTICLE 142.

Austria is held responsible for the delivery (Articles 136 and 141), the disarmament (Article 137), the demolition (Article 138), as well as the disposal (Article 137) and the use (Article 139) of the objects mentioned in the preceding Articles only so far as these remain in her own territory.

ARTICLE 143.

During the three months following the coming into force of the present Treaty, the Austrian high-power wireless telegraphy station at Vienna shall not be used for the transmission of messages concerning naval, military or political questions of interest to Austria, or any State which has been allied to Austria-Hungary in the war, without the assent of the Principal Allied and Associated Powers. This station may be used for commercial purposes, but only under the supervision of the said Powers, who will decide the wave-length to be used.

During the same period Austria shall not build any more high-power wireless telegraphy station in her own territory or that of Hungary, Germany, Bulgaria or Turkey.

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SECTION III.

Air Clauses.

ARTICLE 144.

The armed forces of Austria must not include any military or naval air forces. No dirigible shall be kept.

ARTICLE 145.

Within two months from the coming into force of the present Treaty, the personnel of the air forces on the roll of the Austrian land and sea forces shall be demobilized.

ARTICLE 146.

Until the complete evacuation of Austrian territory by the Allied and Associated troops the aircraft of the Allied and Associated Powers shall enjoy in Austria freedom of passage through the air, freedom of transit and of landing.

ARTICLE 147.

During the six months following the coming into force of the present Treaty, the manufacture, importation and exportation of aircraft, parts of aircraft, engines for aircraft, and parts of engines for aircraft shall be forbidden in all Austrian territory.

ARTICLE 148.

On the coming into force of the present Treaty, all military and naval aeronautical material must be delivered by Austria and at her expense to the Principal Allied and Associated Powers.

Delivery must be effected at such places as the Governments of the said Powers may select, and must be completed within three months.

In particular, this material will include all items under the following heads which are or have been in use or were designed for warlike purposes:

Complete aeroplanes and seaplanes, as well as those being manufactured, repaired or assembled.

Dirigibles able to take the air, being manufactured, repaired or assembled.

Plant for the manufacture of hydrogen.

Dirigible sheds and shelters of every kind for aircraft.

Pending their delivery, dirigibles will, at the expense of Austria, be maintained inflated with hydrogen; the plant for the manufacture of hydrogen, as well as the sheds for dirigibles, may, at the discretion of the said Powers, be left to Austria until the time when the dirigibles are handed over.

Engines for aircraft.

Nacelles and fuselages.

Armament (guns, machine guns, light machine guns, bomb-dropping apparatus, torpedo apparatus, synchronisation apparatus, aiming apparatus).

Munitions (cartridges, shells, bombs loaded or unloaded, stocks of explosives or of material for their manufacture).

Instruments for use on aircraft.

Wireless apparatus and photographic or cinematograph apparatus for use on aircraft.

Component parts of any of the items under the preceding heads.

The material referred to above shall not be removed without special permission from the said Governments.

SECTION IV.

Inter-Allied Commissions of Control.

ARTICLE 149.

All the Military, Naval and Air Clauses contained in the present Treaty for the execution of which a time limit is prescribed shall be executed by Austria under the control of Inter-Allied Commissions specially appointed for this purpose by the Principal Allied and Associated Powers.

The above-mentioned Commissions will represent the Governments of the Principal Allied and Associated Powers in dealing with the Austrian Government in all matters concerning the execution of the Military, Naval and Air Clauses. They will communicate to the Austrian authorities the decisions which the Principal Allied and Associated Powers have reserved the right to take or which the execution of the said Clauses may necessitate.

ARTICLE 150.

The Inter-Allied Commissions of Control may establish their organizations at Vienna and shall be entitled, as often as they think desirable, to proceed to any point whatever in Austrian territory, or to send a sub-commission, or to authorize one or more of their members to go to any such point.

ARTICLE 151.

The Austrian Government must furnish to the Inter-Allied Commissions of Control all such information and documents as the latter may deem necessary to ensure the execution of their mission, and all means (both in personnel and in material) which the above-mentioned Commissions may need to ensure the complete execution of the Military, Naval or Air Clauses.

The Austrian Government must attach a qualified representative to each Inter-Allied Commission of Control with the duty of receiving from the latter any communications which it may have to address to the Austrian Government, and furnishing it with, or procuring, all information or documents demanded.

ARTICLE 152.

The upkeep and cost of the Commissions of Control and the expense involved by their work shall be borne by Austria.

ARTICLE 153.

It will be the special duty of the Military Inter-Allied Commission of Control to receive from the Austrian Government the notifications relating to the location of the stocks and depots of munitions, the armament of the fortified works, fortresses and forts, and the location of the works or factories for the production of arms, munitions and war material and their operations.

It will take delivery of the arms, munitions, war material and plant intended for war construction, will select the points where such delivery is to be effected, and will supervise the works of destruction, and rendering things useless, or of transformation of material, which are to be carried out in accordance with the present Treaty.

ARTICLE 154.

It will be the special duty of the Naval Inter-Allied Commission of Control to proceed to the building yards and to supervise the breaking-up of the ships which are under construction there, to take delivery of arms, munitions and naval war material, and to supervise the destruction and breaking-up provided for.

The Austrian Government must furnish to the Naval Inter-Allied Commission of Control all such information and documents as the Commission may deem necessary to ensure the complete execution of the Naval Clauses, in particular the designs of the warships, the composition of their armaments, the details and models of the guns, munitions, torpedoes, mines, explosives, wireless telegraphic apparatus, and in general everything relating to naval war material, as well as all legislative or administrative documents or regulations.

ARTICLE 155.

It will be the special duty of the Aeronautical Inter-Allied Commission of Control to make an inventory of the aeronautical material which is actually in the possession of the Austrian Government, to inspect aeroplane, balloon and motor manufactories, and factories producing arms, munitions and explosives capable of being used by aircraft, to visit all aerodromes, sheds, landing grounds, parks and depots which are now in Austrian territory, and to authorize where necessary a removal of material and to take delivery of such material.

The Austrian Government must furnish to the Aeronautical Inter-Allied Commission of Control all such information and legislative, administrative or other documents which the Commission may consider necessary to ensure the complete execution of the Air Clauses, and, in particular, a list of the personnel belonging to all the air services of Austria and of the existing material, as well as of that in process of manufacture or on order, and a list of all establishments working for aviation, of their positions, and of all sheds and landing grounds.

SECTION V.

General Clauses.

ARTICLE 156.

After the expiration of a period of three months from the coming into force of the present Treaty, the Austrian laws must have been modified and shall be maintained by the Austrian Government in conformity with this Part of the present Treaty.

Within the same period all the administrative or other measures relating to the execution of this Part must have been taken by the Austrian Government.

ARTICLE 157.

The following portions of the Armistice of November 3, 1918: paragraphs 2 and 3 of Chapter I (Military Clauses), paragraphs 2, 3, and 6 of Chapter I of the annexed Protocol (Military Clauses), remain in force so far as they are not inconsistent with the above stipulations.

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ARTICLE 158.

Austria undertakes, from the coming into force of the present Treaty, not to accredit nor to send to any foreign country any military, naval or air mission, nor to allow any such mission to leave her territory; Austria further agrees to take the necessary measures to prevent Austrian nationals from leaving her territory to enlist in the Army, Navy or Air service of any foreign Power, or to be attached to such Army, Navy or Air service for the purpose of assisting in the military, naval or air training thereof, or generally for the purpose of giving military, naval or air instruction in any foreign country.

The Allied and Associated Powers undertake, so far as they are concerned, that from the coming into force of the present Treaty they will not enrol in nor attach to their armies or naval or air forces any Austrian national for the purpose of assisting in the military training of such armies or naval or air forces, or otherwise employ any such Austrian national as military, naval or aeronautic instructor.

The present provision does not, however, affect the right of France to recruit for the Foreign Legion in accordance with French military laws and regulations.

ARTICLE 159.

So long as the present Treaty remains in force, Austria undertakes to submit to any investigation which the Council of the League of Nations, acting if need be by a majority vote, may consider necessary.

PART VI.

PRISONERS OF WAR AND GRAVES.

SECTION I.

Prisoners of War.

ARTICLE 160.

The repatriation of Austrian prisoners of war and interned civilians shall take place as soon as possible after the coming into force of the present Treaty, and shall be carried out with the greatest rapidity.

ARTICLE 161.

The repatriation of Austrian prisoners of war and interned civilians shall, in accordance with Article 160, be carried out by a Commission composed of representatives of the Allied and Associated Powers on the one part and of the Austrian Government on the other part.

For each of the Allied and Associated Powers a Sub-Commission composed exclusively of representatives of the interested Power and of delegates of the Austrian Government shall regulate the details of carrying into effect the repatriation of prisoners of war.

ARTICLE 162.

From the time of their delivery into the hands of the Austrian authorities, the prisoners of war and interned civilians are to be returned without delay to their homes by the said Authorities.

Those among them who, before the war, were habitually resident in territory occupied by the troops of the Allied and Associated Powers are likewise to be sent to their homes, subject to the consent and control of the military authorities of the Allied and Associated armies of occupation.

ARTICLE 163.

The whole cost of repatriation from the moment of starting shall be borne by the Austrian Government, who shall also provide means of transport and working personnel as considered necessary by the Commission referred to in Article 161.

ARTICLE 164.

Prisoners of war and interned civilians awaiting disposal or undergoing sentence for offences against discipline shall be repatriated irrespective of the completion of their sentence or of the proceedings pending against them.

This stipulation shall not apply to prisoners of war and interned civilians punished for offences committed subsequent to June 1, 1919.

During the period pending their repatriation, all prisoners of war and interned civilians shall remain subject to the existing regulations, more especially as regards work and discipline.

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ARTICLE 165.

Prisoners of war and interned civilians who are awaiting trial or undergoing sentence for offences other than those against discipline may be detained.

ARTICLE 166.

The Austrian Government undertakes to admit to its territory without distinction all persons liable to repatriation.

Prisoners of war or Austrian nationals who do not desire to be repatriated may be excluded from repatriation; but the Allied and Associated Governments reserve to themselves the right either to repatriate them or to take them to a neutral country or to allow them to reside in their own territories.

The Austrian Government undertakes not to institute any exceptional proceedings against these persons or their families, nor to take any repressive or vexatious measures of any kind whatsoever against them on this account.

ARTICLE 167.

The Allied and Associated Governments reserve the right to make the repatriation of Austrian prisoners of war or Austrian nationals in their hands conditional upon the immediate notification and release by the Austrian Government of any prisoners of war and other nationals of the Allied and Associated Powers who are still held in Austria against their will.

ARTICLE 168.

The Austrian Government undertakes:

(1) to give every facility to Commissions to inquire into the cases of those who cannot be traced; to furnish such Commissions with all necessary means of transport; to allow them access to camps, prisons, hospitals and all other places; and to place at their disposal all documents whether public or private which would facilitate their inquiries;

(2) to impose penalties upon any Austrian officials or private persons who have concealed the presence of any nationals of any of the Allied or Associated Powers, or who have neglected to reveal the presence of any such after it had come to their knowledge.

ARTICLE 169.

The Austrian Government undertakes to restore without delay from the date of the coming into force of the present Treaty all articles, money, securities and documents which have belonged to nationals of the Allied and Associated Powers and which have been retained by the Austrian authorities.

ARTICLE 170.

The High Contracting Parties waive reciprocally all repayment of sums due for the maintenance of prisoners of war in their respective territories.

SECTION II.

Graves.

ARTICLE 171.

The Allied and Associated Governments and the Austrian Government will cause to be respected and maintained the graves of the soldiers and sailors buried in their respective territories.

They agree to recognize any Commission appointed by the several Governments for the purpose of identifying, registering, caring for or erecting suitable memorials over the said graves, and to facilitate the discharge of its duties.

Furthermore, they agree to afford, so far as the provisions of their laws and the requirements of public health allow, every facility for giving effect to requests that the bodies of their soldiers and sailors may be transferred to their own country.

ARTICLE 172.

The graves of prisoners of war and interned civilians who are nationals of the different belligerent States and have died in captivity shall be properly maintained in accordance with Article 171 of this Part of the present Treaty.

The Allied and Associated Powers on the one part and the Austrian Government on the other part reciprocally undertake also to furnish to each other:

(1) a complete list of those who have died, together with all information useful for identification;

(2) all information as to the number and positions of the graves of all those who have been buried without identification.

PART VII.

PENALTIES.

ARTICLE 173.

The Austrian Government recognizes the right of the Allied and Associated Powers to bring before military tribunals persons accused of having committed acts in violation of the laws and customs of war. Such persons shall, if found guilty, be sentenced to punishments laid down by law. This provision will apply notwithstanding any proceedings or prosecutions before a tribunal in Austria or in the territory of her allies.

The Austrian Government shall hand over to the Allied and Associated Powers, or to such one of them as shall so request, all persons accused of having committed an act in violation of the laws and customs of war, who are specified either by name or by the rank, office or employment which they held under the Austrian authorities.

ARTICLE 174.

Persons guilty of criminal acts against the nationals of one of the Allied and Associated Powers will be brought before the military tribunals of that Power.

Persons guilty of criminal acts against the nationals of more than one of the Allied and Associated Powers will be brought before military tribunals composed of members of the military tribunals of the Powers concerned.

In every case the accused will be entitled to name his own counsel.

ARTICLE 175.

The Austrian Government undertakes to furnish all documents and information of every kind, the production of which may be considered necessary to ensure the full knowledge of the incriminating acts, the discovery of offenders and the just appreciation of responsibility.

ARTICLE 176.

The provisions of Articles 173 to 175 apply similarly to the Governments of the States to which territory belonging to the former Austro-Hungarian Monarchy has been assigned, in so far as concerns persons accused of having committed acts contrary to the laws and customs of war who are in the territory or at the disposal of the said States.

If the persons in question have acquired the nationality of one of the said States, the Government of such State undertakes to take, at the request of the Power concerned and in agreement with it, all the measures necessary to ensure the prosecution and punishment of such persons.

PART VIII.

REPARATION.

SECTION I.

General Provisions.

ARTICLE 177.

The Allied and Associated Governments affirm and Austria accepts the responsibility of Austria and her allies for causing the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Austria-Hungary and her allies.

ARTICLE 178.

The Allied and Associated Governments recognize that the resources of Austria are not adequate, after taking into account the permanent diminutions of such resources which will result from other provisions of the present Treaty, to make complete reparation for such loss and damage.

The Allied and Associated Governments however require, and Austria undertakes, that she will make compensation as hereinafter determined for damage done to the civilian population of the Allied and Associated Powers and to their property during the period of the belligerency of each as an Allied and Associated Power against Austria by the said aggression by land, by sea and from the air, and in general damage as defined in Annex I hereto.

ARTICLE 179.

The amount of such damage for which compensation is to be made by Austria shall be determined by an Inter-Allied Commission to be called the *Reparation Commission* and constituted in the form and with the powers set forth hereunder and in Annexes II-V inclusive hereto. The Commission is the same as that provided for under Article 233 of the Treaty with Germany, subject to any modifications resulting from the present Treaty. The Commission shall constitute a Section to consider the special questions raised by the application of the present Treaty; this Section shall have consultative power only, except in cases in which the Commission shall delegate to it such powers as may be deemed convenient.

The Reparation Commission shall consider the claims and give to the Austrian Government a just opportunity to be heard.

The Commission shall concurrently draw up a schedule of payments prescribing the time and manner for securing and discharging by Austria, within thirty years dating from May 1, 1921, that part of the debt which shall have been assigned to her after the Commission has decided whether Germany is in a position to pay the

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balance of the total amount of claims presented against Germany and her allies and approved by the Commission. If, however, within the period mentioned, Austria fails to discharge her obligations, any balance remaining unpaid may, within the discretion of the Commission, be postponed for settlement in subsequent years or may be handled otherwise in such manner as the Allied and Associated Governments acting in accordance with the procedure laid down in this Part of the present Treaty shall determine.

ARTICLE 180.

The Reparation Commission shall, after May 1, 1921, from time to time consider the resources and capacity of Austria, and, after giving her representatives a just opportunity to be heard, shall have discretion to extend the date and to modify the form of payments such as are to be provided for in accordance with Article 179, but not to cancel any part except with the specific authority of the several Governments represented on the Commission.

ARTICLE 181.

Austria shall pay in the course of the years 1919, 1920 and the first four months of 1921, in such instalments and in such manner (whether in gold, commodities, ships, securities or otherwise) as the Reparation Commission may lay down, a reasonable sum which shall be determined by the Commission. Out of this sum the expenses of the armies of occupation subsequent to the Armistice of November 3, 1918, shall first be met, and such supplies of food and raw materials as may be judged by the Governments of the Principal Allied and Associated Powers essential to enable Austria to meet her obligations for reparation may also, with the approval of the said Governments, be paid for out of the above sum. The balance shall be reckoned towards the liquidation of the amount due for reparation. Austria shall further deposit bonds as prescribed in paragraph 12 (c) of Annex II hereto.

ARTICLE 182.

Austria further agrees to the direct application of her economic resources to reparation as specified in Annexes III, IV and V relating respectively to merchant shipping, to physical restoration and to raw material; provided always that the value of the property transferred and any services rendered by her under these Annexes, assessed in the manner therein prescribed, shall be credited to her towards the liquidation of her obligations under the above Articles.

ARTICLE 183.

The successive instalments, including the above sum, paid over by Austria in satisfaction of the above claims will be divided by the Allied and Associated Governments in proportions which have been determined upon by them in advance on a basis of general equity and the rights of each.

For the purposes of this division the value of the credits referred to in Article 189 and in Annexes III, IV and V shall be reckoned in the same manner as cash payments made in the same year.

ARTICLE 184.

In addition to the payments mentioned above, Austria shall effect, in accordance with the procedure laid down by the Reparation Commission, restitution in cash of cash taken away, seized or sequestered, and also restitution of animals, objects of every nature and securities taken away, seized or sequestered in the cases in which it proves possible to identify them on territory belonging to, or during the execution of the present Treaty in the possession of, Austria or her allies.

ARTICLE 185.

The Austrian Government undertakes to make forthwith the restitution contemplated in Article 184 above and to make the payments and deliveries contemplated in Articles 179, 180, 181 and 182 above.

ARTICLE 186.

The Austrian Government recognizes the Commission provided for by Article 179 as the same may be constituted by the Allied and Associated Governments in accordance with Annex II, and agrees irrevocably to the possession and exercise by such Commission of the power and authority given to it under the present Treaty.

The Austrian Government will supply to the Commission all the information which the Commission may require relative to the financial situation and operations and to the property, productive capacity and stocks, and current production of raw materials and manufactured articles of Austria and her nationals, and further any information relative to the military operations of the war of 1914-19 which, in the judgment of the Commission, may be necessary.

The Austrian Government shall accord to the members of the Commission and its authorized agents the same rights and immunities as are enjoyed in Austria by duly accredited diplomatic agents of friendly Powers.

Austria further agrees to provide for the salaries and the expenses of the Commission and of such staff as it may employ.

ARTICLE 187.

Austria undertakes to pass, issue and maintain in force any legislation, orders and decrees that may be necessary to give complete effect to these provisions.

ARTICLE 188.

The provisions in this Part of the present Treaty shall not affect in any respect the provisions of Sections III and IV of Part X (Economic Clauses) of the present Treaty.

ARTICLE 189.

The following shall be reckoned as credits to Austria in respect of her reparation obligations:

(a) any final balance in favour of Austria under Sections III and IV of Part X (Economic Clauses) of the present Treaty;

(b) Amounts due to Austria in respect of transfers provided for in Part IX (Financial Clauses) and in Part XII (Ports, Waterways and Railways);

(c) all amounts which, in the judgment of the Reparation Commission, should be credited to Austria on account of any other transfers under the present Treaty of property, rights, concessions or other interests.

In no case, however, shall credit be given for property restored in accordance with Article 184.

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ARTICLE 190.

The transfer of the Austrian submarine cables, in the absence of any special provision in the present Treaty, is regulated by Annex VI hereto.

ANNEX I.

Compensation may be claimed from Austria in accordance with Article 178 above in respect of the total damage under the following categories:

(1) Damage to injured persons and to dependents surviving by personal injury to or death of civilians caused by acts of war, including bombardment or other attacks on land, on sea or from the air, and of the direct consequences thereof and of all operations of war by the two groups of belligerents wherever arising.

(2) Damage caused by Austria or her allies to civilian victims of acts of cruelty, violence or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment or evacuation, of exposure at sea, or of being forced to labour) wherever arising, and to the surviving dependents of such victims.

(3) Damage caused by Austria or her allies in their own territory or in occupied or invaded territory to civilian victims of all acts injurious to health or capacity to work or to honour, as well as to the surviving dependents of such victims.

(4) Damage caused by any kind of maltreatment of prisoners of war.

(5) As damage caused to the peoples of the Allied and Associated Powers, all pensions or compensations in the way of pensions to naval and military victims of war, including members of the air force, whether mutilated, wounded, sick or invalided, and to the dependents of such victims, the amount due to the Allied and Associated Governments being calculated for each of them as being the capitalized cost of such pensions and compensations at the date of the coming into force of the present Treaty on the basis of the scales in force in France on May 1, 1919.

(6) The cost of assistance by the Governments of the Allied and Associated Powers to prisoners of war, to their families and dependents.

(7) Allowances by the Governments of the Allied and Associated Powers to the families and dependents of mobilized persons or persons serving with the forces, the amount due to them for each calendar year in which hostilities occurred being calculated for each Government on the basis of the average scale for such payments in force in France during that year.

(8) Damage caused to civilians by being forced by Austria or her allies to labour without just remuneration.

(9) Damage in respect of all property, wherever situated, belonging to any of the Allied or Associated States or their nationals, with the exception of naval or military works or material, which has been carried off, seized injured, or destroyed by the acts of Austria or her allies on land, on sea, or from the air, or damage directly in consequence of hostilities or of any operations of war.

(10) Damage in the form of levies, fines and other similar exactions imposed by Austria or her allies upon the civilian population.

ANNEX II.

1.

The Commission referred to in Article 179 shall be called the "Reparation Commission" and is hereafter referred to as "the Commission."

2.

The Delegates to this Commission shall be appointed by the United States of America, Great Britain, France, Italy, Japan, Belgium, Greece, Poland, Roumania, the Serb-Croat-Slovene State and Czecho-Slovakia. The United States of America, Great Britain, France, Italy, Japan and Belgium shall each appoint a Delegate. The other five Powers shall appoint a Delegate to represent them all under the conditions indicated in the third sub-paragraph of paragraph 3 hereafter. At the time when each Delegate is appointed there shall also be appointed an Assistant Delegate, who will take his place in case of illness or necessary absence, but at other times will only have the right to be present at the proceedings without taking any part therein.

On no occasion shall Delegates of more than five of the above Powers have the right to take part in the proceedings of the Commission and to record their votes. The Delegates of the United States, Great Britain, France, and Italy shall have this right on all occasions. The Delegate of Belgium shall have this right on all occasions other than those referred to below. The Delegate of Japan will have this right when questions relating to damage at sea are under consideration. The Delegate representing the five remaining Powers mentioned above shall have this right when questions relating to Austria, Hungary or Bulgaria are under consideration.

Each of the Governments represented on the Commission shall have the right to withdraw after giving twelve months' notice to the Commission and confirming it six months after the date of the original notification.

3.

Such of the Allied and Associated Powers as may be interested shall have the right to name a Delegate to be present and act as assessor only while their respective claims and interests are under examination or discussion, but without the right to vote.

The Section to be established by the Commission under Article 179 shall include representatives of the following Powers: the United States of America, Great Britain, France, Italy, Greece, Poland, Roumania, the Serb-Croat-Slovene State and Czecho-Slovakia. This composition of the Section shall in no way prejudice the admissibility of any claims. In voting, the representatives of the United States of America, Great Britain, France and Italy shall each have two votes.

The representatives of the five remaining Powers mentioned above shall appoint a Delegate to represent them all, who shall sit on the Reparation Commission in the circumstances described in paragraph 2 of the present Annex. This delegate, who shall be appointed for one year, shall be chosen successively from the nationals of each of the said five Powers.

4.

In the case of death, resignation or recall of any Delegate, Assistant Delegate or Assessor, a successor to him shall be nominated as soon as possible.

5.

The Commission shall have its principal permanent bureau in Paris, and shall hold its first meeting in Paris as soon as practicable after the coming into force of the present Treaty, and thereafter will meet in such place or places and at such time as may be deemed convenient and as may be necessary for the most expeditious discharge of its duties.

6.

At its first meeting the Commission shall elect from among the Delegates referred to above a Chairman and a Vice-Chairman, who shall hold office for a year and shall be eligible for re-election. If a vacancy in the chairmanship or vice-chairmanship should occur during the annual period, the Commission shall proceed to a new election for the remainder of the said period.

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7.

The Commission is authorized to appoint all necessary officers, agents and employees who may be required for the execution of its functions, and to fix their remuneration; to constitute Sections or Committees, whose members need not necessarily be members of the Commission, and to take all executive steps necessary for the purpose of discharging its duties; and to delegate authority and discretion to officers, agents, Sections and Committees.

8.

All the proceedings of the Commission shall be private unless on particular occasions the Commission shall otherwise determine for special reasons.

9.

The Commission shall be required, if the Austrian Government so desire, to hear within a period which it will fix from time to time evidence and arguments on the part of Austria on any questions connected with her capacity to pay.

10.

The Commission shall consider the claims and give to the Austrian Government a just opportunity to be heard, but not to take any part whatever in the decisions of the Commission. The Commission shall afford a similar opportunity to the allies of Austria when it shall consider that their interests are in question.

11.

The Commission shall not be bound by any particular code or rules of law or by any particular rule of evidence or of procedure, but shall be guided by justice, equity and good faith. Its decisions must follow the same principles and rules in all cases where they are applicable. It will establish rules relating to methods of proof of claims. It may act on any trustworthy modes of computation.

12.

The Commission shall have all the powers conferred upon it, and shall exercise all the functions assigned to it, by the present Treaty.

The Commission shall, in general, have wide latitude as to its control and handling of the whole reparation problem as dealt with in this Part, and shall have authority to interpret its provisions. Subject to the provisions of the present Treaty, the Commission is constituted by the several Allied and Associated Governments referred to in paragraphs 2 and 3 above as the exclusive agency of the said Governments respectively for receiving, selling, holding and distributing the reparation payments to be made by Austria under this Part of the present Treaty. The Commission must comply with the following conditions and provisions:

(a) Whatever part of the full amount of the proved claims is not paid in gold or in ships, securities, commodities or otherwise, Austria shall be required, under such conditions as the Commission may determine, to cover by way of guarantee, by an equivalent issue of bonds, obligations or otherwise, in order to constitute an acknowledgment of the said part of the debt.

(b) In periodically estimating Austria's capacity to pay the Commission shall examine the Austrian system of taxation, first, to the end that the sums for reparation which Austria is required to pay shall become a charge upon all her revenues prior to that for the service or discharge of any domestic loan, and, secondly, so as to satisfy

itself that in general the Austrian scheme of taxation is fully as heavy proportionately as that of any of the Powers represented on the Commission.

The Reparation Commission shall receive instructions to take account of: (1) the actual economic and financial position of Austrian territory as delimited by the present Treaty, and: (2) the diminution of its resources and of its capacity for payment resulting from the clauses of the present Treaty. As long as the position of Austria is not modified the Commission shall take account of these considerations in fixing the final amount of the obligations to be imposed on Austria, the payments by which these are to be discharged, and any postponement of payment of interest which may be asked for by Austria.

(c) The Commission shall, as provided in Article 181, take from Austria, by way of security for and acknowledgment of her debt, gold bearer bonds free of all taxes or charges of every description established or to be established by the Austrian Government or by any authorities subject to it. These bonds will be delivered at any time that may be judged expedient by the Commission, and in three portions, of which the respective amounts will be also fixed by the Commission, the crowns gold being payable in conformity with Article 214, Part IX (Financial Clauses) of the present Treaty:

(1) A first issue in bearer bonds payable not later than May 1, 1921, without interest. There shall be specially applied to the amortisation of these bonds the payments which Austria is pledged to make in conformity with Article 181, after deduction of the sums used for the reimbursement of the expenses of the armies of occupation and other payments for foodstuffs and raw materials. Such bonds as may not have been redeemed by May 1, 1921, shall then be exchanged for new bonds of the same type as those provided for below [paragraph 12, (c) 2].

(2) A second issue in bearer bonds bearing interest at $2\frac{1}{2}$ per cent between 1921 and 1926, and thereafter at 5 per cent with an additional 1 per cent for amortisation beginning in 1926 on the whole amount of the issue.

(3) An undertaking in writing to issue, when, but not until, the Commission is satisfied that Austria can meet the interest and sinking fund obligations, a further instalment of bearer bonds bearing interest at 5 per cent, the time and mode of payment of principal and interest to be determined by the Commission.

The dates for the payment of interest, the manner of employing the amortisation fund and all other questions relating to the issue, management and regulation of the bond issue shall be determined by the Commission from time to time.

Further issues by way of acknowledgment and security may be required as the Commission subsequently determines from time to time.

In case the Reparation Commission should proceed to fix definitely and no longer provisionally the sum of the common charges to be borne by Austria as a result of the claims of the Allied and Associated Powers, the Commission shall immediately annul all bonds which may have been issued in excess of this sum.

(d) In the event of bonds, obligations or other evidence of indebtedness issued by Austria by way of security for or acknowledgment of her reparation debt being disposed of outright, not by way of pledge, to persons other than the several Governments in whose favour Austria's original reparation indebtedness was created, an amount of such reparation indebtedness shall be deemed to be extinguished corresponding to the nominal value of the bonds, etc., so disposed of outright, and the obligation of Austria in respect of such bonds shall be confined to her liabilities to the holders of the bonds, as expressed upon their face.

(e) The damage for repairing, reconstructing and rebuilding property situated in the invaded and devastated districts, including re-installation of furniture, machinery and other equipment, will be calculated according to the cost at the date when the work is done.

(f) Decisions of the Commission relating to the total or partial cancellation of the capital or interest of any of the verified debt of Austria must be accompanied by a statement of its reasons.

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13.

As to voting the Commission will observe the following rules:

When a decision of the Commission is taken, the votes of all the Delegates entitled to vote, or in the absence of any of them, of their assistant Delegates, shall be recorded. Abstention from voting is to be treated as a vote against the proposal under discussion. Assessors shall have no vote.

On the following questions unanimity is necessary:

(a) Questions involving the sovereignty of any of the Allied and Associated Powers, or the cancellation of the whole or any part of the debt or obligations of Austria;

(b) Questions of determining the amount and conditions of bonds or other obligations to be issued by the Austrian Government and of fixing the time and manner for selling, negotiating or distributing such bonds;

(c) Any postponement, total or partial, beyond the end of 1930, of the payment of instalments falling due between May 1, 1921, and the end of 1926 inclusive;

(d) Any postponement, total or partial, of any instalments falling due after 1926 for a period exceeding three years;

(e) Questions of applying in any particular case a method of measuring damages different from that which has been previously applied in a similar case;

(f) Questions of the interpretation of the provisions of this Part of the present Treaty.

All other questions shall be decided by the vote of the majority.

In the case of any difference of opinion among the Delegates, which cannot be solved by reference to their Governments, upon the question whether a given case is one which requires a unanimous vote for its decision or not, such difference shall be referred to the immediate arbitration of some impartial person to be agreed upon by their Governments, whose award the Allied and Associated Governments agree to accept.

14.

Decisions of the Commission, in accordance with the powers conferred upon it, shall forthwith become binding and may be put into immediate execution without further proceedings.

15.

The Commission shall issue to each of the interested Powers in such form as the Commission shall fix:

(1) a certificate stating that it holds for the account of the said Power bonds of the issues mentioned above, the said certificate on the demand of the Power concerned being divisible into a number of parts not exceeding five.

(2) from time to time certificates stating the goods delivered by Austria on account of her reparation debt which it holds for the account of the said Power.

Such certificates shall be registered and, upon notice to the Commission, may be transferred by endorsement.

When bonds are issued for sale or negotiation, and when goods are delivered by the Commission, certificates to an equivalent value must be withdrawn.

16.

Interest shall be debited to Austria as from May 1, 1921, in respect of her debt as determined by the Commission, after allowing for sums already covered by cash payments or their equivalent by bonds issued to the Commission, or under Article 189.

The rate of interest shall be 5 per cent unless the Commission shall determine at some future time that circumstances justify a variation of this rate.

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The Commission, in fixing on May 1, 1921, the total amount of the debt of Austria, may take account of interest due on sums arising out of reparation and of material damage as from November 11, 1918, up to May 1, 1921.

17.

In case of default by Austria in the performance of any obligation under this Part of the present Treaty, the Commission will forthwith give notice of such default to each of the interested Powers and may make such recommendations as to the action to be taken in consequence of such default as it may think necessary.

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The measures which the Allied and Associated Powers shall have the right to take, in the case of voluntary default by Austria, and which Austria agrees not to regard as acts of war, may include economic and financial prohibitions and reprisals and in general such other measures as the respective Governments may determine to be necessary in the circumstances.

19.

Payments required to be made in gold or its equivalent on account of the proved claims of the Allied and Associated Powers may at any time be accepted by the Commission in the form of chattels, properties, commodities, businesses, rights, concessions within or without Austrian territory, ships, bonds, shares or securities of any kind or currencies of Austria or other States, the value of such substitutes for gold being fixed at a fair and just amount by the Commission itself.

20.

The Commission in fixing or accepting payment in specified properties or rights shall have due regard for any legal or equitable interests of the Allied and Associated Powers or of neutral Powers or of their nationals therein.

21.

No member of the Commission shall be responsible, except to the Government appointing him, for any action or omission as such member. No one of the Allied and Associated Governments assumes any responsibility in respect of any other Government.

22.

Subject to the provisions of the present Treaty this Annex may be amended by the unanimous decision of the Governments represented from time to time upon the Commission,

23.

When all the amounts due from Austria and her Allies under the present Treaty or the decisions of the Commission have been discharged, and all sums received, or their equivalents, have been distributed to the Powers interested, the Commission shall be dissolved.

ANNEX III.

1.

Austria recognizes the right of the Allied and Associated Powers to the replacement ton for ton (gross tonnage) and class for class of all merchant ships and fishing boats lost or damaged owing to the war.

Nevertheless and in spite of the fact that the tonnage of Austrian shipping at present in existence is much less than that lost by the Allied and Associated Powers in consequence of the aggression of Austria and her allies, the right thus recognized will be enforced on the Austrian ships and boats under the following conditions:

The Austrian Government on behalf of themselves, and so as to bind all other persons interested, cede to the Allied and Associated Governments the property in all merchant ships and fishing boats belonging to nationals of the former Austrian Empire.

2.

The Austrian Government will, within two months of the coming into force of the present Treaty, deliver to the Reparation Commission all the ships and boats mentioned in paragraph 1.

3.

The ships and boats in paragraph 1 include all ships and boats which (a) fly or may be entitled to fly the Austro-Hungarian merchant flag and are registered in a port of the former Austrian Empire, or (b) are owned by any national, company or corporation of the former Austrian Empire, or by any company or corporation belonging to a country other than an Allied or Associated country and under the control or direction of nationals of the former Austrian Empire, or (c) which are now under construction (1) in the former Austrian Empire (2) in other than Allied or Associated countries for the account of any national, company or corporation of the former Austrian Empire.

4.

For the purpose of providing documents of title for the ships and boats to be handed over as above mentioned, the Austrian Government will:

(a) deliver to the Reparation Commission in respect of each vessel a bill of sale or other document of title evidencing the transfer to the Commission of the entire property in the vessel, free from all encumbrances, charges and liens of all kinds, as the Commission may require;

(b) take all measures that may be indicated by the Reparation Commission for ensuring that the ships themselves shall be placed at its disposal.

5.

Austria undertakes to restore in kind and in normal condition of upkeep to the Allied and Associated Powers within two months of the coming into force of the present Treaty in accordance with procedure to be laid down by the Reparation Commission any boats and other movable appliances belonging to inland navigation which, since July 28, 1914, have by any means whatever come into her possession or into the possession of her nationals and which can be identified.

With a view to make good the loss in inland navigation tonnage from whatever cause arising which has been incurred during the war by the Allied and Associated Powers, and which cannot be made good by means of the restitution prescribed above, Austria agrees to cede to the Reparation Commission a portion of the Austrian

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river fleet up to the amount of the loss mentioned above, provided that such cession shall not exceed 20 per cent of the river fleet as it existed on November 3, 1918.

The conditions of this cession shall be settled by the arbitrators referred to in Article 300, Part XII (Ports, Waterways and Railways) of the present Treaty, who are charged with the settlement of difficulties relating to the apportionment of river tonnage resulting from the new international régime applicable to certain river systems or from the territorial changes affecting those systems.

6.

Austria agrees to take any measures that may be indicated to her by the Reparation Commission for obtaining a full title to the property in all ships which have, during the war, been transferred or are in process of transfer to neutral flags without the consent of the Allied and Associated Governments.

7.

Austria waives all claims of any description against the Allied and Associated Governments and their nationals in respect of the detention, employment, loss or damage of any Austrian ships or boats.

8.

Austria renounces all claims to vessels or cargoes sunk by or in consequence of naval action and subsequently salvaged in which any of the Allied or Associated Governments or their nationals may have any interest either as owners, charterers, insurers, or otherwise, notwithstanding any decree of condemnation which may have been made by a Prize Court of the former Austro-Hungarian Monarchy or of its allies.

ANNEX IV.

1.

The Allied and Associated Powers require and Austria undertakes that in part satisfaction of her obligations expressed in this Part she will, as hereinafter provided, devote her economic resources directly to the physical restoration of the invaded areas of the Allied and Associated Powers to the extent that these Powers may determine.

2.

The Allied and Associated Governments may file with the Reparation Commission lists showing:

(a) animals, machinery, equipment, tools and like articles of a commercial character which have been seized, consumed or destroyed by Austria, or destroyed in direct consequence of military operations, and which such Governments, for the purpose of meeting immediate and urgent needs, desire to have replaced by animals, glass, steel, lime, cement, etc.), machinery, heating apparatus, furniture and like of the coming into force of the present Treaty;

(b) reconstruction materials (stones, bricks, refractory bricks, tiles, wood, window glass, steel, lime, cement, etc.), machinery, heating apparatus, furniture and like articles of a commercial character, which the said Governments desire to have produced and manufactured in Austria and delivered to them to permit of the restoration of the invaded areas.

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3.

The lists relating to the articles mentioned in 2 (a) above shall be filed within sixty days after the date of the coming into force of the present Treaty.

The lists relating to the articles in 2 (b) above shall be filed on or before December 31, 1919.

The lists shall contain all such details as are customary in commercial contracts dealing with the subject-matter, including specifications, dates of delivery (but not extending over more than four years) and places of delivery, but not prices or value, which shall be fixed as hereinafter provided by the Commission.

4.

Immediately upon the filing of such lists with the Commission, the Commission shall consider the amount and number of the materials and animals mentioned in the lists provided for above which are to be required of Austria. In reaching a decision on this matter the Commission shall take into account such domestic requirements of Austria as it deems essential for the maintenance of Austrian social and economic life, the prices and dates at which similar articles can be obtained in the Allied and Associated countries as compared with those to be fixed for Austrian articles, and the general interest of the Allied and Associated Governments that the industrial life of Austria be not so disorganized as to affect adversely the ability of Austria to perform the other acts of reparation stipulated for.

Machinery, equipment, tools and like articles of a commercial character in actual industrial use are not, however, to be demanded of Austria unless there is no free stock of such articles respectively which is not in use and is available, and then not in excess of 30 per cent of the quantity of such articles in use in any one establishment or undertaking.

The Commission shall give representatives of the Austrian Government an opportunity and a time to be heard as to their capacity to furnish the said materials, articles and animals.

The decision of the Commission shall thereupon and at the earliest possible moment be communicated to the Austrian Government and to the several interested Allied and Associated Governments.

The Austrian Government undertakes to deliver the materials, articles and animals as specified in the said communication, and the interested Allied and Associated Governments severally agree to accept the same, provided they conform to the specification given or are not, in the judgment of the Commission, unfit to be utilized in the work of reparation.

5.

The Commission shall determine the value to be attached to the materials, articles and animals to be delivered in accordance with the foregoing, and the Allied or Associated Power receiving the same agrees to be charged with such value, and the amount thereof shall be treated as a payment by Austria to be divided in accordance with Article 183 of the present Treaty.

In cases where the right to require physical restoration as above provided is exercised, the Commission shall ensure that the amount to be credited against the reparation obligations of Austria shall be fair value for work done or material supplied by Austria, and that the claim made by the interested Power in respect of the damage so repaired by physical restoration shall be discharged to the extent of the proportion which the damage thus repaired bears to the whole of the damage thus claimed for.

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6.

As an immediate advance on account of the animals referred to in paragraph 2 above, Austria undertakes to deliver in equal monthly instalments in the three months following the coming into force of the present Treaty the following quantities of live stock:

(1) TO THE ITALIAN GOVERNMENT.

4,000 milch cows of from 3 to 5 years;
1,000 heifers;
50 bulls from 18 months to 3 years;
1,000 calves;
1,000 working bullocks;
2,000 sows.

(2) TO THE SERB-CROAT SLOVENE GOVERNMENT.

1,000 milch cows of from 3 to 5 years;
300 heifers;
25 bulls from 18 months to 3 years;
1,000 calves;
500 working bullocks;
1,000 draught horses;
1,000 sheep.

(3) TO THE ROUMANIAN GOVERNMENT.

1,000 milch cows of from 3 to 5 years;
500 heifers;
25 bulls from 18 months to 3 years.
1,000 calves;
500 working bullocks;
1,000 draught horses;
1,000 sheep.

The animals delivered shall be of average health and condition.

If the animals so delivered cannot be identified as animals taken away or seized, the value of such animals shall be credited against the reparation obligations of Austria in accordance with paragraph 5 of this Annex.

7.

As an immediate advance on account of the articles referred to in paragraph 2 above, Austria undertakes to deliver during the six months following the coming into force of the present Treaty in equal monthly instalments such supplies of furniture in hard and soft wood intended for sale in Austria as the Allied and Associated Powers shall ask for month by month through the Reparation Commission and which the Commission shall consider on the one hand justified by the seizures and destruction carried out in the course of the war on the territory of the said Powers and on the other hand proportionate to the supplies at the disposal of Austria. The price of the articles so supplied shall be carried to the credit of Austria under the conditions provided for in paragraph 5 of this Annex.

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ANNEX V.**1.**

Austria shall give, as partial reparation, to the Allied and Associated Governments severally an option during the five years following the coming into force of the present Treaty for the annual delivery of the raw materials hereinafter enumerated; the amounts delivered to bear the same relation to their annual importations of these materials before the war from Austria-Hungary as the resources of Austria as now delimited by the present Treaty bear to the resources before the war of the former Austro-Hungarian Monarchy.

Timber and timber manufactures;
Iron and iron alloys;
Magnesite.

2.

The price paid for the products referred to in the preceding paragraph shall be the same as the price paid by Austrian nationals under the same conditions of shipment to the Austrian frontier and shall be subject to any advantages which may be accorded similar products furnished to Austrian nationals.

3.

The foregoing options shall be exercised through the intervention of the Reparation Commission, which subject to the specific provisions hereof shall have power to determine all questions relative to procedure and qualities and quantities of products and the times and modes of delivery and payment. In giving notice to the Austrian Government of the foregoing options, the Commission shall give at least 120 days' notice of deliveries to be made after January 1, 1920, and at least 30 days' notice of deliveries to be made between the coming into force of the present Treaty and January 1, 1920. If the Commission shall determine that the full exercise of the foregoing options would interfere unduly with the industrial requirements of Austria, the Commission is authorized to postpone or to cancel deliveries and in so doing to settle all questions of priority.

ANNEX VI.

Austria renounces on her own behalf and on behalf of her nationals in favour of Italy all rights, titles or privileges of whatever nature in any submarine cables or portions of cables connecting Italian territory, including the territories which are assigned to Italy under the present Treaty.

Austria also renounces on her own behalf and on behalf of her nationals in favour of the Principal Allied and Associated Powers all rights, titles and privileges of whatever nature in the submarine cables, or portions thereof, connecting the territories ceded by Austria under the terms of the present Treaty to the various Allied and Associated Powers.

The States concerned shall provide for the upkeep of the installations and the proper working of the said cables.

As regards the cable from Trieste to Corfu, the Italian Government shall enjoy in its relations with the company owning this cable the same position as that held by the Austro-Hungarian Government.

The value of the cables or portions of cables referred to in the two first paragraphs of the present Annex, calculated on the basis of the original cost, less a suitable allowance for depreciation, shall be credited to Austria in the reparation account.

SECTION II.

Special Provisions.

ARTICLE 191.

In carrying out the provisions of Article 184 Austria undertakes to surrender to each of the Allied and Associated Powers respectively all records, documents, objects of antiquity and of art, and all scientific and bibliographical material taken away from the invaded territories, whether they belong to the State or to provincial, communal, charitable or ecclesiastical administrations or other public or private institutions.

ARTICLE 192.

Austria shall in the same manner restore objects of the same nature as those referred to in the preceding Article which may have been taken away since June 1, 1914, from the ceded territories, with the exception of objects bought from private owners.

The Reparation Commission will apply to these objects the provisions of Article 208, Part IX (Financial Clauses), of the present Treaty, if these are appropriate.

ARTICLE 193.

Austria will give up to each of the Allied and Associated Governments respectively all the records, documents and historical material possessed by public institutions which may have a direct bearing on the history of the ceded territories and which have been removed during the last ten years. This last-mentioned period, as far as concerns Italy, shall be extended to the date of the proclamation of the Kingdom (1861).

The new States arising out of the former Austro-Hungarian Monarchy and the States which receive part of the territory of that Monarchy undertake on their part to hand over to Austria the records, documents and material dating from a period not exceeding twenty years which have a direct bearing on the history or administration of the territory of Austria and which may be found in the territories transferred.

ARTICLE 194.

Austria acknowledges that she remains bound, as regards Italy, to execute the obligations referred to in Article 15 of the Treaty of Zurich of November 10, 1859, in Article 18 of the Treaty of Vienna of October 3, 1866, and in the Convention of Florence of July 14, 1868, concluded between Italy and Austria-Hungary, in so far as the Articles referred to have not in fact been executed in their entirety, and in so far as the documents and objects in question are situated in the territory of Austria or her allies.

ARTICLE 195.

Within a period of twelve months from the coming into force of the present Treaty a Committee of three jurists appointed by the Reparation Commission shall examine the conditions under which the objects or manuscripts in possession of Austria, enumerated in Annex I hereto, were carried off by the House of Hapsburg and by the other Houses which have reigned in Italy. If it is found that the said objects or manuscripts were carried off in violation of the rights of the Italian provinces the Reparation

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Commission, on the report of the Committee referred to, shall order their restitution. Italy and Austria agree to accept the decisions of the Commission.

Belgium, Poland and Czecho-Slovakia may also submit claims for restitution, to be examined by the same Committee of three jurists, relating to the objects and documents enumerated in Annexes II, III and IV hereto. Belgium, Poland, Czecho-Slovakia and Austria undertake to accept the decisions taken by the Reparation Commission as the result of the report of the said Committee.

ARTICLE 196.

With regard to all objects of artistic, archæological, scientific or historic character forming part of collections which formerly belonged to the Government or the Crown of the Austro-Hungarian Monarchy and are not otherwise provided for in the present Treaty, Austria undertakes:

(a) to negotiate, when required, with the States concerned for an amicable arrangement whereby any portion thereof or any objects belonging thereto which ought to form part of the intellectual patrimony of the ceded districts may be returned to their districts of origin on terms of reciprocity, and

(b) for twenty years, unless a special arrangement is previously arrived at, not to alienate or disperse any of the said collections or to dispose of any of the above objects but at all times to ensure their safety and good condition and to make them available, together with inventories, catalogues and administrative documents relating to the said collections, at all reasonable times to students who are nationals of any of the Allied and Associated Powers.

ANNEX I.

TUSCANY.

The Crown jewels (such part as remains after their dispersion); the private jewels of the Princess Electress of Medici; the medals which form part of the Medici heirlooms and other precious objects—all being domanial property according to contractual agreements and testamentary dispositions—removed to Vienna during the eighteenth century.

Furniture and silver plate belonging to the House of Medici and the "jewel of Aspasios" in payment of debts owed by the House of Austria to the Crown of Tuscany.

The ancient instruments of astronomy and physics belonging to the Academy of Cimento removed by the House of Lorraine and sent as a present to the cousins of the Imperial House of Vienna.

MODENA.

A "Virgin" by Andrea del Sarto and four drawings by Correggio belonging to the Pinacothek of Modena and removed in 1859 by Duke Francis V.

The three following MSS. belonging to the Library of Modena: *Biblia Vulgata* (Cod. Lat. 422/23, *Breviarium Romanum* (Cod. Lat. 424) and *Officium Beate Virginis* (Cod. Lat. 262), carried off by Duke Francis V in 1859.

The bronzes carried off under the same circumstances in 1859.

Certain objects (among others two pictures by Salvator Rosa and a portrait by Dosso Dossi) claimed by the Duke of Modena in 1868 as a condition of the execution of the Convention of June 20, 1868, and other objects given up in 1872 in the same circumstances.

PALERMO.

Objects made in Palermo in the twelfth century for the Norman kings and employed in the coronation of the Emperors, which were carried off from Palermo and are now in Vienna.

Ninety-eight MSS. carried off from the Library of S. Giovanni a Carbonara and other libraries at Naples in 1718 under the orders of Austria and sent to Vienna.

Various documents carried off at different times from the State Archives of Milan, Mantua, Venice, Modena and Florence.

ANNEX II.

1. The Triptych of S. Ildephonse, by Rubens, from the Abbey of Saint-Jacques sur Cowdenberg at Brussels, bought in 1777 and removed to Vienna.

II. Objects and documents removed for safety from Belgium to Austria in 1794:

(a) Arms, armour and other objects from the old Arsenal of Brussels.

(b) The Treasure of the "Toison d'or" preserved in previous times in the "Chapelle de la Cour" at Brussels.

(c) Coinage, stamps, medals, and counters by Theodore van Berckel which were an essential feature in the archives of the "Chambre des Comptes" at Brussels.

(d) The original manuscript copies of the "carte chorographique" of the Austrian Low Countries drawn up by Lieut.-General Comte Jas de Ferraris between 1770 and 1777, and the documents relating thereto.

ANNEX III.

Objects removed from the territory forming part of Poland subsequent to the first partition in 1772:

The gold cup of King Ladislas IV, No. 1, 114 of the Court Museum at Vienna.

ANNEX IV.

(1) Documents, historical memoirs, manuscripts, maps, etc., claimed by the present State of Czecho-Slovakia, which Thaulow von Rosenthal removed by order of Maria Theresa.

(2) The documents originally belonging to the Royal Aulic Chancellory of Bohemia and the Aulic Chamber of Accounts of Bohemia, and the works of art which formed part of the installation of the Royal Chateau of Prague and other royal castles in Bohemia, which were removed by the Emperors Mathias, Ferdinand II, Charles VI (about 1718, 1723 and 1737) and Francis Joseph I; all of which are now in the archives, Imperial castles, museums and other central public institutions at Vienna.

PART IX.

FINANCIAL CLAUSES.

ARTICLE 197.

Subject to such exceptions as the Reparation Commission may make, the first charge upon all the assets and revenues of Austria shall be the cost of reparation and all other costs arising under the present Treaty or any treaties or agreements supplementary thereto, or under arrangements concluded between Austria and the Allied and Associated Powers during the Armistice signed on November 3, 1918.

Up to May 1, 1921, the Austrian Government shall not export or dispose of, and shall forbid the export or disposal of, gold without the previous approval of the Allied and Associated Powers acting through the Reparation Commission.

ARTICLE 198.

There shall be paid by the Government of Austria the total cost of all armies of the Allied and Associated Governments occupying territory within the boundaries of Austria as defined by the present Treaty from the date of the signature of the Armistice of November 3, 1918, including the keep of men and beasts, lodging and billeting, pay and allowances, salaries and wages, bedding, heating, lighting, clothing, equipment, harness and saddlery, armament and rolling-stock, air services, treatment of sick and wounded, veterinary and remount services, transport services of all sorts (such as by rail, sea, or river, motor-lorries), communications and correspondence, and, in general, the cost of all administrative or technical services the working of which is necessary for the training of troops and for keeping their numbers up to strength and preserving their military efficiency.

The cost of such liabilities under the above heads, so far as they relate to purchases or requisitions by the Allied and Associated Governments in the occupied territory, shall be paid by the Austrian Government to the Allied and Associated Governments in crowns or any legal currency of Austria which may be substituted for crowns at the current or agreed rate of exchange.

All other of the above costs shall be paid in the currency of the country to which the payment is due.

ARTICLE 199.

Austria confirms the surrender of all material handed over or to be handed over to the Allied and Associated Powers in accordance with the Armistice of November 3, 1918, and subsequent Armistice Agreements, and recognizes the title of the Allied and Associated Powers to such material.

There shall be credited to Austria, against the sums due from her to the Allied and Associated Powers for reparation, the value, as assessed by the Reparation Commission, of such of the above material for which, as having non-military value, credit should, in the judgment of the Reparation Commission, be allowed to Austria.

Property belonging to the Allied and Associated Governments or their nationals restored or surrendered under the Armistice Agreements in specie shall not be credited to Austria.

ARTICLE 200.

The priority of the charges established by Article 197 shall, subject to the qualifications made in the last paragraph of this Article, be as follows:

(a) the cost of the armies of occupation, as defined under Article 198, during the Armistice;

(b) the cost of any armies of occupation, as defined under Article 198, after the coming into force of the present Treaty;

(c) the cost of reparation arising out of the present Treaty or any treaties or conventions supplementary thereto;

(d) the cost of all other obligations incumbent on Austria under the Armistice Conventions or under this Treaty or any treaties or conventions supplementary thereto.

The payment for such supplies of food and raw material for Austria and such other payments as may be judged by the Principal Allied and Associated Powers to be essential to enable Austria to meet her obligations in respect of reparation shall have priority to the extent and upon the conditions which have been or may be determined by the Governments of the said Powers.

ARTICLE 201.

The right of each of the Allied and Associated Powers to dispose of enemy assets and property within its jurisdiction at the rate of the coming into force of the present Treaty is not affected by the foregoing provisions.

ARTICLE 202.

Nothing in the foregoing provisions shall prejudice in any manner charges or mortgages lawfully effected in favour of the Allied and Associated Powers or their nationals respectively before the date at which a state of war existed between Austria-Hungary and the Allied or Associated Power concerned by the former Austrian Government or by nationals of the former Austrian Empire on assets in their ownership at that date, except in so far as variations of such charges or mortgages are specifically provided for under the terms of the present Treaty or any treaties or agreements supplementary thereto.

ARTICLE 203.

1. Each of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each of the States arising from the dismemberment of that Monarchy, including Austria, shall assume responsibility for a portion of the debt of the former Austrian Government which is specifically secured on railways, salt mines or other property, and which was in existence on July 28, 1914. The portion to be so assumed by each State shall be such portion as in the opinion of the Reparation Commission represents the secured debt in respect of the railways, salt mines and other properties transferred to that State under the terms of the present Treaty or any treaties or agreements supplementary thereto.

The amount of the liability in respect of secured debt so assumed by each State, other than Austria, shall be valued by the Reparation Commission, on such basis as the Commission may consider equitable, and the value so ascertained shall be deducted from the amount payable by the State in question to Austria in respect of property of the former or existing Austrian Government which the State acquires with the territory. Each State shall be solely responsible in respect of that portion of the secured debt for which it assumes responsibility under the terms of this Article, and holders of the debt for which responsibility is assumed by States other than Austria shall have no recourse against the Government of any other State.

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Any property which was specifically pledged to secure any debt referred to in this Article shall remain specifically pledged to secure the new debt. But in case the property so pledged is situated as the result of the present Treaty in more than one State, that portion of the property which is situated in a particular State shall constitute the security only for that part of the debt which is apportioned to that State, and not for any other part of the debt.

For the purpose of the present Article there shall be regarded as secured debt payments due by the former Austrian Government in connection with the purchase of railways or similar property; the distribution of the liability for such payments will be determined by the Reparation Commission in the same manner as in the case of secured debt.

Debts for which the responsibility is transferred under the terms of this Article shall be expressed in terms of the currency of the State assuming the responsibility, if the original debt was expressed in terms of Austro-Hungarian paper currency. For the purposes of this conversion the currency of the assuming State shall be valued in terms of Austro-Hungarian paper kronen at the rate at which those kronen were exchanged into the currency of the assuming State by that State when it first substituted its own currency for Austro-Hungarian kronen. The basis of this conversion of the currency unit in which the bonds are expressed shall be subject to the approval of the Reparation Commission, which shall, if it thinks fit, require the State effecting the conversion to modify the terms thereof. Such modification shall only be required if, in the opinion of the Commission, the foreign exchange value of the currency unit or units substituted for the currency unit in which the old bonds are expressed is substantially less at the date of the conversion than the foreign exchange value of the original currency unit.

If the original Austrian debt was expressed in terms of a foreign currency or foreign currencies, the new debt shall be expressed in terms of the same currency or currencies.

If the original Austrian debt was expressed in terms of Austro-Hungarian gold coin, the new debt shall be expressed in terms of equivalent amounts of pounds sterling and gold dollars of the United States of America, the equivalents being calculated on the basis of the weight and the fineness of gold of the three coins as enacted by law on January 1, 1914.

Any foreign exchange options, whether at fixed rates or otherwise, embodied explicitly or implicitly in the old bonds shall be embodied in the new bonds also.

2. Each of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each of the States arising from the dismemberment of that Monarchy, including Austria, shall assume responsibility for a portion of the unsecured bonded debt of the former Austrian Government which was in existence on July 28, 1914, calculated on the basis of the ratio between the average for the three financial years 1911, 1912, 1913, of such revenues of the distributed territory and the average for the same years of such revenues of the whole of the former Austrian territories as in the judgment of the Reparation Commission are best calculated to represent the financial capacity of the respective territories. In making the above calculation, the revenues of Bosnia and Herzegovina shall not be included.

The responsibilities in respect of bonded debt to be assumed under the terms of this Article shall be discharged in the manner laid down in the Annex hereto.

The Austrian Government shall be solely responsible for all the liabilities of the former Austrian Government incurred prior to July 28, 1914, other than those evidenced by the bonds, bills, securities and currency notes which are specifically provided for under the terms of the present Treaty.

Neither the provisions of this Article nor the provisions of the Annex hereto shall apply to securities of the former Austrian Government deposited with the Austro-Hungarian Bank as security for the currency notes issued by that bank.

ANNEX.

The amount of the former unsecured Austrian Government bonded debt, the responsibility for which is to be distributed under the provisions of Article 203, shall be the amount of that debt as it stood on July 28, 1914, after deducting that portion which represents the liability of the former Hungarian Government for that debt as provided by the additional Convention relating to the contribution of the countries of the Sacred Hungarian Crown to the charges of the general debt of Austria-Hungary approved by the Austro-Hungarian Law of December 30, 1907, B. L. I. No. 278.

Each State assuming responsibility for the old unsecured Austrian Government debt shall, within three months of the coming into force of the present Treaty, if it has not already done so, stamp with the stamp of its own Government all the bonds of that debt existing in its own territory. The distinguishing numbers of the bonds so stamped shall be recorded and shall be furnished, together with the other records of the stamping, to the Reparation Commission.

Holders of bonds within the territory of a State which is required to stamp old Austrian bonds under the terms of this Annex shall, from the date of the coming into force of the present Treaty, be creditors in respect of these bonds of that State only, and they shall have no recourse against the Government of any other State.

Each State which, under the terms of Article 203, is required to assume responsibility for a portion of the old unsecured Austrian Government debt, and which has ascertained by means of stamping the old Austrian bonds that the bonds of any particular issue of such old Austrian bonds held within its territory were smaller in amount than the amount of that issue for which, in accordance with the assessment of the Reparation Commission, it is held responsible, shall deliver to the Reparation Commission new bonds equal in amount to the difference between the amount of the issue for which it is responsible and the amount of the same issue recorded as held within its own territory. Such new bonds shall be of such denominations as the Reparation Commission may require. They shall carry the same rights as regards interest and amortisation as the old bonds for which they are substituted, and in all other respects the conditions of the new bonds shall be fixed subject to the approval of the Reparation Commission.

If the original bond was expressed in terms of Austro-Hungarian paper currency, the new bond by which it is replaced shall be expressed in terms of the currency of the State issuing the new bond, and for the purpose of this currency conversion, the currency of the new State shall be valued in terms of Austro-Hungarian paper kronen at the rate at which those kronen were exchanged for the currency of the new State by that State when it first substituted its own currency for Austro-Hungarian paper kronen. The basis of this conversion of the currency unit in which the bonds are expressed shall be subject to the approval of the Reparation Commission, which shall, if it thinks fit, require the State effecting the conversion to modify the terms thereof. Such modification shall only be required if, in the opinion of the Commission, the foreign exchange value of the currency unit or units substituted for the currency unit in which the old bonds are expressed is substantially less at the date of the conversion than the foreign exchange value of the original currency unit.

If the original bond was expressed in terms of a foreign currency or foreign currencies, the new bond shall be expressed in terms of the same currency or currencies. If the original bond was expressed in terms of Austro-Hungarian gold coin, the new bond shall be expressed in terms of equivalent amounts of pounds sterling and gold dollars of the United States of America, the equivalents being calculated on the basis of the weight and fineness of gold of the three coins as enacted by law on January 1, 1914.

Any foreign exchange options, whether at fixed rates or otherwise, embodied explicitly or implicitly in the old bonds shall be embodied in the new bonds also.

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Each State which under the terms of Article 203 is required to assume responsibility for a portion of the old unsecured Austrian Government Debt, which has ascertained by means of stamping the old Austrian bonds that the bonds of any particular issue of such old Austrian bonds held within its territory were larger in amount than the amount of that issue for which it is held responsible in accordance with the assessment of the Reparation Commission, shall receive from the Reparation Commission its due proportionate share of each of the new issues of bonds issued in accordance with the provisions of this Annex.

Holders of unsecured bonds of the old Austrian Government Debt held outside the boundaries of the States to which territory of the former Austro-Hungarian Monarchy is transferred, or of States arising from the dismemberment of that Monarchy, including Austria, shall deliver through the agency of their respective Governments to the Reparation Commission the bonds which they hold, and in exchange therefor the Reparation Commission shall deliver to them certificates entitling them to their due proportionate share of each of the new issues of bonds corresponding to and issued in exchange for their surrendered bonds under the provisions of this Annex.

The share of each State or private holder entitled to a share in any new issue of bonds issued in accordance with the provisions of this Annex shall bear such proportion to the total amount of bonds of that new issue as the holding of the State or private owner in question of the old issue of bonds bears to the total amount of the old issue presented to the Reparation Commission for exchange into new bonds in accordance with the provisions of this Annex. Each such participating State or private holder will also be entitled to its or his due proportionate share of the new bonds issued under the terms of the Treaty with Hungary in exchange for that portion of the former Austrian Government debt for which Hungary accepted liability under the additional Convention of 1907.

The Reparation Commission shall, if it think fit, arrange with the holders of the new bonds provided for by this Annex a consolidation loan of each debtor State, the bonds of which loan shall be substituted for the various different issues of new bonds on such terms as may be agreed upon by the Commission and the bondholders.

The State assuming liability for any bond of the former Austrian Government shall assume any liability attaching to the bond in respect of unpaid coupons or sinking fund instalments accrued since the date of the coming into force of the present Treaty.

ARTICLE 204.

1. In case the new boundaries of any States, as laid down by the present Treaty, shall divide any local area which was a single unit for borrowing purposes and which had a legally constituted public debt, such debt shall be divided between the new divisions of the area in a proportion to be determined by the Reparation Commission in accordance with the principles laid down for the re-apportionment of Government debts under Article 203, and the responsibility so assumed shall be discharged in such a manner as the Reparation Commission shall determine.

2. The public debt of Bosnia and Herzegovina shall be regarded as the debt of a local area and not as part of the public debt of the former Austro-Hungarian Monarchy.

ARTICLE 205.

Within two months of the coming into force of the present Treaty, each one of the States to which territory of the former Austro-Hungarian Monarchy is transferred and each one of the States arising from the dismemberment of that Monarchy, including Austria, shall, if it has not already done so, stamp with the stamp of its own Government the securities of various kinds which are separately provided for, representing the bonded war debt of the former Austrian Government as legally constituted prior to October 27, 1918, and existing in their respective territories.

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The securities thus stamped shall be withdrawn and replaced by certificates, their distinguishing numbers shall be recorded, and any securities withdrawn, together with the documents recording the transaction, shall be sent to the Reparation Commission.

The stamping and replacement of a security by a certificate under the provisions of this Article shall not imply that the State so stamping and replacing a security thereby assumes or recognizes any obligation in respect of it, unless the State in question desires that the stamping and replacement should have this implication.

The aforementioned States, with the exception of Austria, shall be free from any obligation in respect of the war debt of the former Austrian Government, wherever that debt may be held, but neither the Governments of those States nor their nationals shall have recourse under any circumstances whatever against any other States including Austria in respect of the war debt bonds of which they or their nationals are the beneficial owners.

The war debt of the former Austrian Government which was prior to the signature of the present Treaty in the beneficial ownership of nationals or Governments of States other than those to which territory of the former Austro-Hungarian Monarchy is assigned shall be a charge upon the Government of Austria only, and no one of the other States aforementioned shall be held responsible for any part thereof.

The provisions of this Article shall not apply to the securities of the former Austrian Government deposited by that Government with the Austro-Hungarian Bank as security for the currency notes of the said bank.

The existing Austrian Government shall be solely responsible for all the liabilities of the former Austrian Government incurred during the war, other than those evidenced by the bonds, bills, securities and currency notes which are specifically provided for under the terms of the present Treaty.

ARTICLE 206.

1. Within two months of the coming into force of the present Treaty, each one of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each one of the States arising from the dismemberment of that Monarchy, including Austria and the present Hungary, shall, if it has not already done so, stamp with the stamp of its own Government the currency notes of the Austro-Hungarian Bank existing in its territory.

2. Within twelve months of the coming into force of the present Treaty, each one of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each one of the States arising from the dismemberment of that Monarchy, including Austria and the present Hungary, shall replace, as it may think fit, the stamped notes referred to above by its own or a new currency.

3. The Governments of such States as have already converted the currency notes of the Austro-Hungarian Bank by stamping or by the issue of their own or a new currency, and in carrying out this operation have withdrawn, without stamping them, a portion or all of the currency notes circulating in their territory, shall either stamp the notes so withdrawn or hold them at the disposal of the Reparation Commission.

4. Within fourteen months of the coming into force of the present Treaty, those Governments which have replaced notes of the bank by their own or new currency, in accordance with the provisions of this Article, shall transfer to the Reparation Commission all the notes, stamped or unstamped, of the bank which have been withdrawn in the course of this replacement.

5. All notes transferred to the Reparation Commission under the provisions of this Article shall be dealt with by that Commission in accordance with the provisions of the Annex hereto.

6. The Austro-Hungarian Bank shall be liquidated as from the day succeeding the day of the signature of this Treaty.

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7. The liquidation shall be conducted by receivers specially appointed for that purpose by the Reparation Commission. In conducting the liquidation of the bank, the receivers shall follow the rules laid down in the Statutes or other valid instruments regulating the constitution of the bank, subject however to the special provisions of this Article. In the case of any doubt arising as to the interpretation of the rules concerning the liquidation of the bank, whether laid down in these Articles and Annexes or in the Statutes of the bank, the decision of the Reparation Commission or any arbitrator appointed by it for that purpose shall be final.

8. The currency notes issued by the bank subsequent to October 27, 1918, shall have a claim on the securities issued by the Austrian and Hungarian Governments, both former and existing, and deposited with the bank by those Governments, as security for these notes, but they shall not have a claim on any other assets of the bank.

9. The currency notes issued by the bank on or prior to October 27, 1918, in so far as they are entitled to rank at all in conformity with this Article, shall all rank equally as claims against all the assets of the bank, other than the Austrian and Hungarian Government securities deposited as security for the various note issues.

10. The securities deposited by the Austrian and Hungarian Governments, both former and existing, with the bank as security for the currency notes issued on or prior to October 27, 1918, shall be cancelled in so far as they represent the notes converted in the territory of the former Austro-Hungarian Monarchy as it existed on July 28, 1914, by States to which territory of that Monarchy is transferred or by States arising from the dismemberment of that Monarchy, including Austria and the present Hungary.

11. The remainder of the securities deposited by the Austrian and Hungarian Governments, both former and existing with the bank as security for the currency notes issued on or prior to October 27, 1918, shall be retained in force as security for, and in so far as they represent, the notes issued on or prior to October 27, 1918, which on June 15, 1919, were outside the limits of the former Austro-Hungarian Monarchy as it existed on July 28, 1914, that is to say, firstly, all notes of this description which are presented to the Reparation Commission in accordance with paragraph 4 of this Article, and secondly all notes of this description which may be held elsewhere and are presented to the receivers of the bank in accordance with the Annex hereto.

12. No claims on account of any other currency notes issued on or prior to October 27, 1918, shall rank either against the general assets of the bank or against the securities deposited by the Austrian and Hungarian Governments, both former and existing, as security for the notes, and any balance of such securities remaining after the amount of securities mentioned in paragraphs 10 and 11 has been calculated and deducted shall be cancelled.

13. All securities deposited by the Austrian and Hungarian Governments, both former and existing, with the bank as security for currency note issues and which are maintained in force shall be the obligations respectively of the Governments of Austria and the present Hungary only and not of any other States.

14. The holders of currency notes of the Austro-Hungarian Bank shall have no recourse against the Governments of Austria or the present Hungary or any other Government in respect of any loss which they may suffer as the result of the liquidation of the bank.

ANNEX.

1.

The respective Governments, when transmitting to the Reparation Commission all the currency notes of the Austro-Hungarian Bank withdrawn by them from circu-

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lation in accordance with the terms of Article 206, shall also deliver to the Commission all the records showing the nature and amounts of the conversions which they have effected.

2.

The Reparation Commission, after examining the records, shall deliver to the said Governments separate certificates stating the total amount of currency notes which the Governments have converted:

(a) within the limits of the former Austro-Hungarian Monarchy as it existed on July 28, 1914;

(b) elsewhere.

These certificates will entitle the bearer to lodge a claim with the receivers of the bank for currency notes thus converted which are entitled to share in the assets of the bank.

3.

After the liquidation of the bank is completed, the Reparation Commission shall destroy the notes thus withdrawn.

4.

No notes issued on or prior to October 27, 1918, wherever they may be held, will rank as claims against the bank unless they are presented through the Government of the country in which they are held.

ARTICLE 207.

Each one of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each one of the States arising from the dismemberment of that Monarchy, including Austria, shall deal as it thinks fit with the petty or token coinage of the former Austro-Hungarian Monarchy existing in its territory.

No such State shall have any recourse under any circumstances, on behalf either of itself or of its nationals, against any other State with regard to such petty or token coinage.

ARTICLE 208.

States to which territory of the former Austro-Hungarian Monarchy is transferred and States arising from the dismemberment of that Monarchy shall acquire all property and possessions situated within their territories belonging to the former or existing Austrian Government.

For the purposes of this Article, the property and possessions of the former or existing Austrian Government shall be deemed to include the property of the former Austrian Empire and the interests of that Empire in the joint property of the Austro-Hungarian Monarchy, as well as all the property of the Crown, and the private property of members of the former Royal Family of Austria-Hungary.

These States shall, however, have no claim to any property of the former or existing Government of Austria situated outside their own respective territories.

The value of such property and possessions acquired by States other than Austria shall be fixed by the Reparation Commission and placed by that Commission to the credit of Austria and to the debit of the State acquiring such property on account of the sums due for reparation. The Reparation Commission shall deduct from the value of the public property thus acquired an amount proportionate to the contribution in money, land or material made directly by any province or commune or other autonomous local authority towards the cost of such property.

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Without prejudice to Article 203 relating to secured Debt, in the case of each State acquiring property under the provisions of this Article, the amount placed to the credit of Austria and to the debit of the said State in accordance with the preceding paragraph shall be reduced by the value of the amount of the liability in respect of the unsecured Debt of the former Austrian Government assumed by that State under the provisions of Article 203 which, in the opinion of the Reparation Commission, represents expenditure upon the property so acquired. The value shall be fixed by the Reparation Commission on such basis as the Commission may consider equitable.

Property of the former and existing Austrian Governments shall be deemed to include a share of the real property in Bosnia-Herzegovina of all descriptions for which, under Article 5 of the Convention of February 26, 1909, the Government of the former Austro-Hungarian Monarchy paid £ T. 2,500,000 to the Ottoman Government. Such share shall be proportionate to the share which the former Austrian Empire contributed to the above payment, and the value of this share, as assessed by the Reparation Commission, shall be credited to Austria on account of reparation.

As exception to the above there shall be transferred without payment:

- (1) the property and possessions of provinces, communes and other local autonomous institutions of the former Austro-Hungarian Monarchy, including those in Bosnia-Herzegovina which did not belong to the former Austro-Hungarian Monarchy;
- (2) schools and hospitals the property of the former Austro-Hungarian Monarchy;
- (3) forests which belonged to the former Kingdom of Poland.

Further, any building or other property situated in the respective territories transferred to the States referred to in the first paragraph whose principal value lies in its historic interest and associations, and which formerly belonged to the Kingdom of Bohemia, the Kingdom of Poland, the Kingdom of Croatia-Slavonia-Dalmatia, Bosnia-Herzegovina, the Republic of Ragusa, the Venetian Republic or the Episcopal Principalities of Trient and Bressanone, may, subject to the approval of the Reparation Commission, be transferred to the Government entitled thereto without payment.

ARTICLE 209.

Austria renounces, so far as she is concerned, all rights accorded to her or her nationals by treaties, conventions or agreements, or whatsoever kind, to representation upon or participation in the control or administration of commissions, state banks, agencies or other financial or economic organizations of an international character exercising powers of control or administration and operating in any of the Allied or Associated States, or in Germany, Hungary, Bulgaria or Turkey, or in the dependencies of these States, or in the former Russian Empire.

ARTICLE 210.

1. The Austrian Government agrees to deliver within one month from the coming into force of the present Treaty to such authority as the Principal Allied and Associated Powers may designate the sum in gold deposited in the Austro-Hungarian Bank in the name of the Council of the Administration of the Ottoman Public Debt as security for the first issue of Turkish Government currency notes.

2. Without prejudice to Article 244, Part X (Economic Clauses), of the present Treaty, Austria renounces so far as she is concerned any benefit disclosed by the Treaties of Bucharest and Brest-Litovsk and by the Treaties supplementary thereto.

Austria undertakes to transfer either to Roumania or to the Principal Allied and Associated Powers, as the case may be, all monetary instruments, specie, securities and negotiable instruments or goods which she has received under the aforesaid Treaties.

3. The sums of money and all securities, instruments and goods, of whatsoever nature, to be delivered, paid or transferred under the provisions of this Article, shall be disposed of by the Principal Allied and Associated Powers in a manner hereafter to be determined by those Powers.

4. Austria recognizes any transfer of gold provided for by Article 259 (5) of the Treaty of Peace concluded at Versailles on June 28, 1919, between the Allied and Associated Powers and Germany, and any transfer of claims provided for by Article 261 of that Treaty.

ARTICLE 211.

Without prejudice to the renunciation of any rights by Austria on behalf of herself or of her nationals in the other provisions of the present Treaty, the Reparation Commission may, within one year from the coming into force of the present Treaty, demand that Austria become possessed of any rights and interests of her nationals in any public utility undertaking or in any concession operating in Russia, Turkey, Germany, Hungary or Bulgaria, or in the possessions or dependencies of these States, or in any territory formerly belonging to Austria or her allies to be transferred by Austria or her allies to any State, or to be administered by a mandatory under any Treaty entered into with the Allied and Associated Powers, and may require that the Austrian Government transfer, within six months of the date of demand, to the Reparation Commission all such rights and interests and any similar rights and interests owned by the former or existing Austrian Government.

Austria shall be responsible for indemnifying her nationals so dispossessed, and the Reparation Commission shall credit Austria on account of sums due for reparation with such sums in respect of the value of the transferred rights and interests as may be assessed by the Reparation Commission, and Austria shall, within six months from the coming into force of the present Treaty, communicate to the Reparation Commission all such rights and interests, whether already granted, contingent or not yet exercised, and shall renounce on behalf of herself and her nationals in favour of the Allied and Associated Powers all such rights and interests which have not been so communicated.

ARTICLE 212.

Austria undertakes to refrain from preventing or impeding such acquisition by the German, Hungarian, Bulgarian or Turkish Governments of any rights and interests of German, Hungarian, Bulgarian or Turkish nationals in public utility undertakings or concessions operating in Austria as may be required by the Reparation Commission under the terms of the Treaties of Peace or supplementary treaties or conventions concluded between the Allied and Associated Powers and the German, Hungarian, Bulgarian or Turkish Governments respectively.

ARTICLE 213.

Austria undertakes to transfer to the Allied and Associated Powers all claims in favour of the former or existing Austrian Governments to payment or reparation by the Governments of Germany, Hungary, Bulgaria or Turkey, and in particular all claims which may arise now or hereafter in the fulfilment of undertakings made after July 28, 1914, until the coming into force of the present Treaty.

The value of such claims shall be assessed by the Reparation Commission, and shall be transferred to the Reparation Commission for the credit of Austria on account of the sums due for reparation.

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ARTICLE 214.

Any monetary obligation arising out of the present Treaty and expressed in terms of gold krounen shall, unless some other arrangement is specifically provided for in any particular case under the terms of this Treaty or of treaties or conventions supplementary thereto, be payable at the option of the creditors in pounds sterling payable in London, gold dollars of the United States of America payable in New York, gold francs payable in Paris, or gold lire payable in Rome.

For the purposes of this Article, the gold coins mentioned above shall be defined as being of the weight and fineness of gold as enacted by law on January 1, 1914.

ARTICLE 215.

Any financial adjustments, such as those relating to any banking and insurance companies, savings banks, postal savings banks, land banks, mortgage companies or other similar institutions, operating within the territory of the former Austro-Hungarian Monarchy, necessitated by the partition of that Monarchy and the resettlement of public debts and currency provided for by these Articles, shall be regulated by agreement between the various Governments concerned in such a manner as shall best secure equitable treatment to all the parties interested. In case the Governments concerned are unable to come to an agreement on any question arising out of this financial adjustment, or in case any Government is of opinion that its nationals have not received equitable treatment, the Reparation Commission shall, on the application of any one of the Governments concerned, appoint an arbitrator or arbitrators, whose decision shall be final.

ARTICLE 216.

The Government of Austria shall be under no liability in respect of civil or military pensions granted to nationals of the former Austrian Empire who have been recognized as nationals of other States or who become so under the provisions of the present Treaty.

PART X.

ECONOMIC CLAUSES

SECTION I.

Commercial Relations.

CHAPTER I.

CUSTOMS REGULATIONS, DUTIES AND RESTRICTIONS.

ARTICLE 217.

Austria undertakes that goods the produce or manufacture of any one of the Allied or Associated States imported into Austrian territory, from whatsoever place arriving, shall not be subjected to other or higher duties or charges (including internal charges) than those to which the like goods the produce or manufacture of any other such State or of any other foreign country are subject.

Austria will not maintain or impose any prohibition or restriction on the importation into Austrian territory of any goods the produce or manufacture of the territories of any one of the Allied or Associated States, from whatsoever place arriving, which shall not equally extend to the importation of the like goods the produce or manufacture of any other such State or of any other foreign country.

ARTICLE 218.

Austria further undertakes that, in the matter of the régime applicable on importation, no discrimination against the commerce of any of the Allied and Associated States as compared with any other of the said States or any other foreign country shall be made, even by indirect means, such as customs regulations or procedure, methods of verification or analysis, conditions of payment of duties, tariff classification or interpretation, or the operation of monopolies.

ARTICLE 219.

In all that concerns exportation, Austria undertakes that goods, natural products or manufactured articles, exported from Austrian territory to the territories of any one of the Allied or Associated States, shall not be subjected to other or higher duties or charges (including internal charges) than those paid on the like goods exported to any other such State or to any other foreign country.

Austria will not maintain or impose any prohibition or restriction on the exportation of any goods sent from her territory to any one of the Allied or Associated States which shall not equally extend to the exportation of the like goods, natural products or manufactured articles, sent to any other such State or to any other foreign country.

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ARTICLE 220.

Every favour, immunity, or privilege in regard to the importation, exportation or transit of goods granted by Austria to any Allied or Associated State or to any other foreign country whatever shall simultaneously and unconditionally, without request and without compensation, be extended to all the Allied and Associated States.

ARTICLE 221.

By way of exception to the provisions of Article 286, Part XII (Ports, Waterways and Railways), products in transit by the ports which before the war were situated in territory of the former Austro-Hungarian Monarchy shall, for a period of three years from the coming into force of the present Treaty, enjoy on importation into Austria reductions of duty corresponding with and in proportion to those applied to such products under the Austro-Hungarian Customs Tariff of February 13, 1906, when imported by such ports.

ARTICLE 222.

Notwithstanding the provisions of Articles 217 to 220, the Allied and Associated Powers agree that they will not invoke these provisions to secure the advantage of any arrangements which may be made by the Austrian Government with the Governments of Hungary or of the Czecho-Slovak State for the accord of a special customs régime to certain natural or manufactured products which both originate in and come from those countries, and which shall be specified in the arrangements, provided that the duration of these arrangements does not exceed a period of five years from the coming into force of the present Treaty.

ARTICLE 223.

During the first six months after the coming into force of the present Treaty, the duties imposed by Austria on imports from Allied and Associated States shall not be higher than the most favourable duties which were applied to imports into the former Austro-Hungarian Monarchy on July 28, 1914.

During a further period of thirty months after the expiration of the first six months this provision shall continue to be applied exclusively with regard to the importation of fruits (fresh and dried), fresh vegetables, olive oil, eggs, pigs and pork products, and live poultry, in so far as such products enjoyed at the above-mentioned date (July 28, 1914) rates conventionalized by Treaties with the Allied or Associated Powers.

ARTICLE 224.

(1) The Czecho-Slovak State and Poland undertake that for a period of fifteen years from the coming into force of the present Treaty they will not impose on the exportation to Austria of the products of coal mines in their territories any export duties or other charges or restrictions on exportation different from or more onerous than those imposed on such exportation to any other country.

(2) Special agreements shall be made between the Czecho-Slovak State and Poland and Austria as to the supply of coal and of raw materials reciprocally.

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(3) Pending the conclusion of such agreements, but in no case during more than three years from the coming into force of the present Treaty, the Czecho-Slovak State and Poland undertake that no export duty or other restrictions of any kind shall be imposed on the export to Austria of coal or lignite up to a reasonable quantity to be fixed, failing agreement between the States concerned, by the Reparation Commission. In fixing this quantity the Reparation Commission shall take into account all the circumstances, including the quantities both of coal and of lignite supplied before the war to present Austrian territory from Upper Silesia and from the territory of the former Austrian Empire transferred to the Czecho-Slovak State and Poland in accordance with the present Treaty, and the quantities now available for export from those countries. Austria shall in return furnish to the Czecho-Slovak State and Poland supplies of the raw materials referred to in paragraph (2) in accordance with the decisions of the Reparation Commission.

(4) The Czecho-Slovak State and Poland further undertake during the same period to take such steps as may be necessary to ensure that any such products shall be available for sale to purchasers in Austria on terms as favourable as are applicable to like products sold under similar conditions to purchasers in the Czecho-Slovak State or Poland respectively or in any other country.

(5) In case of disagreement in the execution or interpretation of any of the above provisions the Reparation Commission shall decide.

CHAPTER II.

SHIPPING.

ARTICLE 225.

The High Contracting Parties agree to recognize the flag flown by the vessels of any Contracting Party having no sea-coast, which are registered at some specified place situated in its territory; such place shall serve as the port of registry of such vessels.

CHAPTER III.

UNFAIR COMPETITION.

ARTICLE 226.

Austria undertakes to adopt all the necessary legislative and administrative measures to protect goods the produce or manufacture of any one of the Allied and Associated Powers from all forms of unfair competition in commercial transactions.

Austria undertakes to prohibit and repress by seizure and by other appropriate remedies the importation, exportation, manufacture, distribution, sale or offering for sale in her territory of all goods bearing upon themselves or their usual get-up or wrappings any marks, names, devices or descriptions whatsoever which are calculated to convey directly or indirectly a false indication of the origin, type, nature or special characteristics of such goods.

ARTICLE 227.

Austria undertakes, on condition that reciprocity is accorded in these matters, to respect any law, or any administrative or judicial decision given in conformity with such law, in force in any Allied or Associated State and duly communicated to her by

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the proper authorities, defining or regulating the right to any regional appellation in respect of wine or spirits produced in the State to which the region belongs or the conditions under which the use of any such appellation may be permitted; and the importation, exportation, manufacture, distribution, sale or offering for sale of products or articles bearing regional appellations inconsistent with such law or order shall be prohibited by the Austrian Government and repressed by the measures prescribed in the preceding Article.

CHAPTER IV.

TREATMENT OF NATIONALS OF ALLIED AND ASSOCIATED POWERS.

ARTICLE 228.

Austria undertakes:

(a) not to subject the nationals of the Allied and Associated Powers to any prohibition in regard to the exercise of occupations, professions, trade and industry, which shall not be equally applicable to all aliens without exception;

(b) not to subject the nationals of the Allied and Associated Powers in regard to the rights referred to in paragraph (a) to any regulation or restriction which might contravene directly or indirectly the stipulations of the said paragraph, or which shall be other or more disadvantageous than those which are applicable to nationals of the most favoured nation;

(c) not to subject the nationals of the Allied and Associated Powers, their property, rights or interests, including companies and associations in which they are interested, to any charge, tax or impost, direct or indirect, other or higher than those which are or may be imposed on her own nationals or their property, rights or interests;

(d) not to subject the nationals of any one of the Allied and Associated Powers to any restriction which was not applicable on July 1, 1914, to the nationals of such Powers unless such restriction is likewise imposed on her own nationals.

ARTICLE 229.

The nationals of the Allied and Associated Powers shall enjoy in Austrian territory a constant protection for their persons and for their property, rights and interests, and shall have free access to the courts of law.

ARTICLE 230.

Austria undertakes to recognize any new nationality which has been or may be acquired by her nationals under the laws of the Allied and Associated Powers, and in accordance with the decisions of the competent authorities of these Powers pursuant to naturalization laws or under treaty stipulations, and to regard such persons as having, in consequence of the acquisition of such new nationality, in all respects severed their allegiance to their country of origin.

ARTICLE 231.

The Allied and Associated Powers may appoint consuls-general, consuls, vice-consuls and consular agents in Austrian towns and ports. Austria undertakes to approve the designation of the consuls-general, consuls, vice-consuls and consular agents, whose names shall be notified to her, and to admit them to the exercise of their functions in conformity with the usual rules and customs.

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CHAPTER V.

GENERAL ARTICLES.

ARTICLE 232.

The obligations imposed on Austria by Chapter I above shall cease to have effect five years from the date of the coming into force of the present Treaty, unless otherwise provided in the text, or unless the Council of the League of Nations shall, at least twelve months before the expiration of that period, decide that these obligations shall be maintained for a further period with or without amendment.

Nevertheless it is agreed that unless the League of Nations decides otherwise an Allied or Associated Power shall not after the expiration of three years from the coming into force of the present Treaty be entitled to require the fulfilment by Austria of the provisions of Articles 217, 218, 219 or 220 unless that Power accords correlative treatment to Austria.

Article 228 shall remain in operation, with or without amendment, after the period of five years for such further period, if any, not exceeding five years, as may be determined by a majority of the Council of the League of Nations.

ARTICLE 233.

If the Austrian Government engages in international trade, it shall not in respect thereof have or be deemed to have any rights, privileges or immunities of sovereignty.

SECTION II.

Treaties.

ARTICLE 234.

From the coming into force of the present Treaty and subject to the provisions thereof the multilateral Treaties, Conventions and Agreements of an economic or technical character concluded by the former Austro-Hungarian Monarchy and enumerated below and in the subsequent Articles shall alone be applied as between Austria and those of the Allied and Associated Powers party thereto:

(1) Conventions of March 14, 1884, December 1, 1886, and March 23, 1887, and Final Protocol of July 7, 1887, regarding the protection of submarine cables.

(2) Convention of October 11, 1909, regarding the international circulation of motor-cars.

(3) Agreement of May 15, 1886, regarding the sealing of railway trucks subject to customs inspection and Protocol of May 18, 1907.

(4) Agreement of May 15, 1886, regarding the technical standardization of railways.

(5) Convention of July 5, 1890, regarding the publication of customs tariffs and the organization of an International Union for the publication of customs tariffs.

(6) Convention of April 25, 1907, regarding the raising of the Turkish customs tariff.

(7) Convention of March 14, 1857, for the redemption of Toll dues on the Sound and Belts.

(8) Convention of June 22, 1861, for the redemption of the Stade Toll on the Elbe

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- (9) Convention of July 16, 1863, for the redemption of the Toll dues on the Scheldt.
- (10) Convention of October 29, 1888, regarding the establishment of a definite arrangement guaranteeing the free use of the Suez Canal.
- (11) Conventions of September 23, 1910, respecting the unification of certain regulations regarding collisions and salvage at sea.
- (12) Convention of December 21, 1904, regarding the exemption of hospital ships from dues and charges in ports.
- (13) Convention of September 26, 1906, for the suppression of nightwork for women.
- (14) Conventions of May 18, 1904, and May 4, 1910, regarding the suppression of the White Slave Traffic.
- (15) Convention of May 4, 1910, regarding the suppression of obscene publications.
- (16) Sanitary Convention of December 3, 1903, and the preceding Conventions signed on January 30, 1892, April 15, 1893, April 3, 1894, and March 19, 1897.
- (17) Convention of May 20, 1875, regarding the unification and improvement of the metric system.
- (18) Convention of November 29, 1906, regarding the unification of pharmacopœial formulæ for potent drugs.
- (19) Convention of November 16 and 19, 1885, regarding the establishment of a concert pitch.
- (20) Convention of June 7, 1905, regarding the creation of an International Agricultural Institute at Rome.
- (21) Conventions of November 3, 1881, and April 15, 1889, regarding precautionary measures against phylloxera.
- (22) Convention of March 19, 1902, regarding the protection of birds useful to agriculture.
- (23) Convention of June 12, 1902, regarding the guardianship of minors.

ARTICLE 235.

From the coming into force of the present Treaty the High Contracting Parties shall apply the conventions and agreements hereinafter mentioned, in so far as concerns them, Austria undertaking to comply with the special stipulations contained in this Article.

Postal Conventions:

Conventions and agreements of the Universal Postal Union concluded at Vienna, July 4, 1891.

Conventions and agreements of the Postal Union signed at Washington, June 15, 1897.

Conventions and agreements of the Postal Union signed at Rome, May 26, 1906.

Telegraphic Conventions:

International Telegraphic Conventions signed at St. Petersburg, July 10/22, 1875.

Regulations and Tariffs drawn up by the International Telegraphic Conference, Lisbon, June 11, 1908.

Austria undertakes not to refuse her assent to the conclusion by the new States of the special arrangements referred to in the Conventions and Agreements relating to the Universal Postal Union and to the International Telegraphic Union, to which the said new States have adhered or may adhere.

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ARTICLE 236.

From the coming into force of the present Treaty the High Contracting Parties shall apply, in so far as concerns them, the International Radio-Telegraphic Convention of July 5, 1912, Austria undertaking to comply with the provisional regulations which will be indicated to her by the Allied and Associated Powers.

If within five years after the coming into force after the present Treaty a new convention regulating international radio-telegraphic communications should have been concluded to take the place of the Convention of July 5, 1912, this new convention shall bind Austria, even if Austria should refuse either to take part in drawing up the convention, or to subscribe thereto.

This new convention will likewise replace the provisional regulations in force.

ARTICLE 237.

The International Convention of Paris of March 20, 1883, for the protection of industrial property, revised at Washington on June 2, 1911, and the Agreement of April 14, 1891, concerning the international registration of trade marks shall be applied as from the coming into force of the present Treaty, in so far as they are not affected or modified by the exceptions and restrictions resulting therefrom.

ARTICLE 238.

From the coming into force of the present Treaty the High Contracting Parties shall apply, in so far as concerns them, the Convention of the Hague of July 17, 1905, relating to civil procedure. This provision, however, will not apply to France, Portugal and Roumania.

ARTICLE 239.

Austria undertakes, within twelve months of the coming into force of the present Treaty, to adhere in the prescribed form to the International Convention of Berne of September 9, 1886, for the protection of literary and artistic works, revised at Berlin on November 13, 1908, and completed by the additional Protocol signed at Berne on March 20, 1914, relating to the protection of literary and artistic works.

Under her adherence, Austria undertakes to recognize and protect by effective measures and in accordance with the principles of the said Convention the literary and artistic works of nationals of the Allied and Associated Powers.

In addition, and irrespective of the above-mentioned adherence, Austria undertakes to continue to assure such recognition and such protection to all literary and artistic works of the nationals of each of the Allied and Associated Powers to an extent at least as great as upon July 28, 1914, and upon the same conditions.

ARTICLE 240.

Austria undertakes to adhere to the following Conventions:

(1) Convention of September 26, 1906, for the suppression of the use of white phosphorus in the manufacture of matches.

(2) Convention of December 31, 1913, regarding the unification of commercial statistics.

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ARTICLE 241.

Each of the Allied or Associated Powers, being guided by the general principles or special provisions of the present Treaty, shall notify to Austria the bilateral agreements of all kinds which were in force between her and the former Austro-Hungarian Monarchy, and which she wishes should be in force as between her and Austria.

The notification referred to in the present Article shall be made either directly or through the intermediary of another Power. Receipt thereof shall be acknowledged in writing by Austria. The date of the coming into force shall be that of the notification.

The Allied and Associated Powers undertake among themselves not to apply as between themselves and Austria any agreements which are not in accordance with the terms of the present Treaty.

The notification shall mention any provisions of the said agreements which, not being in accordance with the terms of the present Treaty, shall not be considered as coming into force.

In case of any difference of opinion, the League of Nations will be called on to decide.

A period of six months from the coming into force of the present Treaty is allowed to the Allied and Associated Powers within which to make the notification.

Only those bilateral agreements which have been the subject of such notification shall be put in force between the Allied and Associated Powers and Austria.

The above rules apply to all bilateral agreements existing between any Allied and Associated Powers signatories to the present Treaty and Austria, even if the said Allied and Associated Powers have not been in a state of war with Austria.

ARTICLE 242.

Austria hereby recognizes that all treaties, conventions or agreements concluded by her, or by the former Austro-Hungarian Monarchy, with Germany, Hungary, Bulgaria or Turkey since August 1, 1914, until the coming into force of the present Treaty are of no effect.

ARTICLE 243.

Austria undertakes to secure to the Allied and Associated Powers, and to the officials and nationals of the said Powers, the enjoyment of all the rights and advantages of any kind which she, or the former Austro-Hungarian Monarchy, may have granted to Germany, Hungary, Bulgaria or Turkey, or to the officials and nationals of these States by treaties, conventions or arrangements concluded before August 1, 1914, so long as those treaties, conventions or arrangements are in force.

The Allied and Associated Powers reserve the right to accept or not the enjoyment of these rights and advantages.

ARTICLE 244.

Austria recognizes that all treaties, conventions or arrangements which she, or the former Austro-Hungarian Monarchy, concluded with Russia, or with any State or Government of which the territory previously formed a part of Russia, or with Roumania, before July 28, 1914, or after that date until the coming into force of the present Treaty, are of no effect.

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ARTICLE 245.

Should an Allied or Associated Power, Russia, or a State or Government of which the territory formerly constituted a part of Russia, have been forced since July 28, 1914, by reason of military occupation or by any other means or for any other cause, to grant or to allow to be granted by the act of any public authority, concessions, privileges and favours of any kind to the former Austro-Hungarian Monarchy, or to Austria or to an Austrian national, such concessions, privileges and favours are *ipso facto* annulled by the present Treaty.

No claims or indemnities which may result from this annulment shall be charged against the Allied or Associated Powers or the Powers, States, Governments or public authorities which are released from their engagements by the present Article.

ARTICLE 246.

From the coming into force of the present Treaty Austria undertakes, so far as she is concerned, to give the Allied and Associated Powers and their nationals the benefit *ipso facto* of the rights and advantages of any kind which she or the former Austro-Hungarian Monarchy has granted by treaties, conventions, or arrangements to non-belligerent States or their nationals since July 28, 1914, until the coming into force of the present Treaty, so long as those treaties, conventions or arrangements are in force for Austria.

ARTICLE 247.

Those of the High Contracting Parties who have not yet signed, or who have signed but not yet ratified, the Opium Convention signed at The Hague on January 23, 1912, agree to bring the said Convention into force, and for this purpose to enact the necessary legislation without delay and in any case within a period of twelve months from the coming into force of the present Treaty.

Furthermore, they agree that ratification of the present Treaty should in the case of Powers which have not yet ratified the Opium Convention be deemed in all respects equivalent to the ratification of that Convention and to the signature of the Special Protocol which was opened at The Hague in accordance with the resolutions adopted by the Third Opium Conference in 1914 for bringing the said Convention into force.

For this purpose the Government of the French Republic will communicate to the Government of the Netherlands a certified copy of the protocol of the deposit of ratifications of the present Treaty, and will invite the Government of the Netherlands to accept and deposit the said certified copy as if it were a deposit of ratifications of the Opium Convention and a signature of the Additional Protocol of 1914.

SECTION III.

Debts.

ARTICLE 248.

There shall be settled through the intervention of Clearing Offices to be established by each of the High Contracting Parties within three months of the notification referred to in paragraph (e) hereafter the following classes of pecuniary obligations:

(1) Debts payable before the war and due by a national of one of the Contracting Powers, residing within its territory, to a national of an Opposing Power, residing within its territory;

(2) Debts which became payable during the war to nationals of one Contracting Power residing within its territory and arose out of transactions or contracts with the nationals of an Opposing Power, resident within its territory, of which the total or partial execution was suspended on account of the existence of a state of war;

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(3) Interest which has accrued due before and during the war to a national of one of the Contracting Powers in respect of securities issued or taken over by an Opposing Power, provided that the payment of interest on such securities to the nationals of that Power or to neutrals has not been suspended during the war;

(4) Capital sums which have become payable before and during the war to nationals of one of the Contracting Powers in respect of securities issued by one of the Opposing Powers, provided that the payment of such capital sums to nationals of that Power or to neutrals has not been suspended during the war.

In the case of interest or capital sums payable in respect of securities issued or taken over by the former Austro-Hungarian Government the amount to be credited and paid by Austria will be the interest or capital in respect only of the debt for which Austria is liable in accordance with Part IX (Financial Clauses) of the present Treaty, and the principles laid down by the Reparation Commission.

The proceeds of liquidation of enemy property, rights, and interests mentioned in Section IV and in the Annex thereto will be accounted for through the Clearing Offices, in the currency and at the rate of exchange hereinafter provided in paragraph (d), and disposed of by them under the conditions provided by the said Section and Annex.

The settlements provided for in this Article shall be effected according to the following principle and in accordance with the Annex to this Section:

(a) Each of the High Contracting Parties shall prohibit, as from the coming into force of the present Treaty, both the payment and the acceptance of payment of such debts, and also all communications between the interested parties with regard to the settlement of the said debts otherwise than through the Clearing Offices;

(b) Each of the High Contracting Parties shall be respectively responsible for the payment of such debts due by its nationals, except in the case where before the war the debtor was in a state of bankruptcy or failure, or had given formal indication of insolvency, or where the debt was due by a company whose business has been liquidated under emergency legislation during the war;

(c) The sums due to the nationals of one of the High Contracting Parties by the nationals of an Opposing State will be debited to the Clearing Office of the country of the debtor, and paid to the creditor by the Clearing Office of the country of the creditor;

(d) Debts shall be paid or credited in the currency of such one of the Allied and Associated Powers, their colonies or protectorates, or the British Dominions or India, as may be concerned. If the debts are payable in some other currency they shall be paid or credited in the currency of the country concerned, whether an Allied or Associated Power, Colony, Protectorate, British Dominion or India, at the pre-war rate of exchange.

For the purpose of this provision the pre-war rate of exchange shall be defined as the average cable transfer rate prevailing in the Allied or Associated country concerned during the month immediately preceding the outbreak of war between the said country concerned and Austria-Hungary.

If a contract provides for a fixed rate of exchange governing the conversion of the currency in which the debt is stated into the currency of the Allied or Associated country concerned, then the above provisions concerning the rate of exchange shall not apply.

In the case of the new States of Poland and the Czecho-Slovak State the currency in which and the rate of exchange at which debts shall be paid or credited shall be determined by the Reparation Committee provided for in Part VIII, unless they shall have been previously settled by agreement between the States interested;

(e) The provisions of this Article and of the Annex hereto shall not apply as between Austria on the one hand and any one of the Allied and Associated Powers,

their colonies or protectorates, or any one of the British Dominions or India on the other hand, unless within a period of one month from the deposit of the ratification of the present Treaty by the Power in question, or of the ratification on behalf of such Dominion or of India, notice to that effect is given to Austria by the Government of such Allied or Associated Power or of such Dominion or of India as the case may be;

(f) The Allied and Associated Powers which have adopted this Article and the Annex hereto may agree between themselves to apply them to their respective nationals established in their territory so far as regards matters between their nationals and Austrian nationals. In this case the payments made by application of this provision will be subject to arrangements between the Allied and Associated Clearing Offices concerned.

ANNEX.

1.

Each of the High Contracting Parties will, within three months from the notification provided for in Article 248, paragraph (e), establish a Clearing Office for the collection and payment of enemy debts.

Local Clearing Offices may be established for any particular portion of the territories of the High Contracting Parties. Such local Clearing Offices may perform all the functions of a central Clearing Office in their respective districts, except that all transactions with the Clearing Office in the Opposing State must be effected through the central Clearing Office.

2.

In this Annex the pecuniary obligations referred to in the first paragraph of Article 248 are described as "enemy debts," the persons from whom the same are due as "enemy debtors," the persons to whom they are due as "enemy creditors," the Clearing Office in the country of the creditor is called the "Creditor Clearing Office," and the Clearing Office in the country of the debtor is called the "Debtor Clearing Office."

3.

The High Contracting Parties will subject contraventions of paragraph (a) of Article 248 to the same penalties as are at present provided by their legislation for trading with the enemy. They will similarly prohibit within their territory all legal process relating to payment of enemy debts, except in accordance with the provisions of this Annex.

4.

The Government guarantee specified in paragraph (b) of Article 248 shall take effect whenever, for any reason, a debt shall not be recoverable, except in a case where at the date of the outbreak of war the debt was barred by the laws of prescription in force in the country of the debtor, or where the debtor was at that time in a state of bankruptcy or failure or had given formal indication of insolvency, or where the debt was due by a company whose business has been liquidated under emergency legislation during the war. In such case the procedure specified by this Annex shall apply to payment of the dividends.

The terms "bankruptcy" and "failure" refer to the application of legislation providing for such juridical conditions. The expression "formal indication of insolvency" bears the same meaning as it has in English law.

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5.

Creditors shall give notice to the Creditor Clearing Office within six months of its establishment of debts due to them, and shall furnish the Clearing Office with any documents and information required of them.

The High Contracting Parties will take all suitable measures to trace and punish collusion between enemy creditors and debtors. The Clearing Offices will communicate to one another any evidence and information which might help the discovery and punishment of such collusion.

The High Contracting Parties will facilitate as much as possible postal and telegraphic communication at the expense of the parties concerned and through the intervention of the Clearing Offices between debtors and creditors desirous of coming to an agreement as to the amount of their debt.

The Creditor Clearing Office will notify the Debtor Clearing Office of all debts declared to it. The Debtor Clearing Office will, in due course, inform the Creditor Clearing Office which debts are admitted and which debts are contested. In the latter case, the Debtor Clearing Office will give the grounds for the non-admission of debt.

6.

When a debt has been admitted, in whole or in part, the Debtor Clearing Office will at once credit the Creditor Clearing Office with the amount admitted, and at the same time notify it of such credit.

7.

The debt shall be deemed to be admitted in full and shall be credited forthwith to the Creditor Clearing Office unless within three months from the receipt of the notification or such longer time as may be agreed to by the Creditor Clearing Office notice has been given by the Debtor Clearing Office that it is not admitted.

8.

When the whole or part of a debt is not admitted the two Clearing Offices will examine into the matter jointly and will endeavour to bring the parties to an agreement.

9.

The Creditor Clearing Office will pay to the individual creditor the sums credited to it out of the funds placed at its disposal by the Government of its country and in accordance with the conditions fixed by the said Government, retaining any sums considered necessary to cover risks, expenses or commissions.

10.

Any person having claimed payment of an enemy debt which is not admitted in whole or in part shall pay to the Clearing Office, by way of fine, interest at 5 per cent on the part not admitted. Any person having unduly refused to admit the whole or part of a debt claimed from him shall pay, by way of fine, interest at 5 per cent on the amount with regard to which his refusal shall be disallowed.

Such interest shall run from the date of expiration of the period provided for in paragraph 7 until the date on which the claim shall have been disallowed or the debt paid.

Each Clearing Office shall in so far as it is concerned take steps to collect the fines above provided for, and will be responsible if such fines cannot be collected.

The fines will be credited to the other Clearing Office, which shall retain them as a contribution towards the cost of carrying out the present provisions.

11.

The balance between the Clearing Offices shall be struck monthly and the credit balance paid in cash by the debtor State within a week.

Nevertheless, any credit balances which may be due by one or more of the Allied and Associated Powers shall be retained until complete payment shall have been effected of the sums due to the Allied or Associated Powers or their nationals on account of the war.

12.

To facilitate discussion between the Clearing Offices each of them shall have a representative at the place where the other is established.

13.

Except for special reasons all discussions in regard to claims will, so far as possible, take place at the Debtor Clearing Office.

14.

In conformity with Article 248, paragraph (b), the High Contracting Parties are responsible for the payment of the enemy debts owing by their nationals.

The Debtor Clearing Office will therefore credit the Creditor Clearing Office with all debts admitted, even in case of inability to collect them from the individual debtor. The Governments concerned will, nevertheless, invest their respective Clearing Offices with all necessary powers for the recovery of debts which have been admitted.

15.

Each Government will defray the expenses of the Clearing Office set up in its territory, including the salaries of the staff.

16.

Where the two Clearing Offices are unable to agree whether a debt claimed is due, or in case of a difference between an enemy debtor and an enemy creditor or between the Clearing Offices, the dispute shall either be referred to arbitration if the parties so agree under conditions fixed by agreement between them, or referred to the Mixed Arbitral Tribunal provided for in Section VI hereafter.

At the request of the Creditor Clearing Office the dispute may, however, be submitted to the jurisdiction of the Courts of the place of domicile of the debtor.

17.

Recovery of sums found by the Mixed Arbitral Tribunal, the Court, or the Arbitration Tribunal to be due shall be effected through the Clearing Offices as if these sums were debts admitted by the Debtor Clearing Office.

18.

Each of the Governments concerned shall appoint an agent who will be responsible for the presentation to the Mixed Arbitral Tribunal of the cases conducted on behalf of its Clearing Office. This agent will exercise a general control over the representatives or counsel employed by its nationals.

Decisions will be arrived at on documentary evidence, but it will be open to the Tribunal to hear the parties in person, or according to their preference by their representatives approved by the two Governments, or by the agent referred to above, who shall be competent to intervene along with the party or to re-open and maintain a claim abandoned by the same.

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19.

The Clearing Offices concerned will lay before the Mixed Arbitral Tribunal all the information and documents in their possession, so as to enable the Tribunal to decide rapidly on the cases which are brought before it.

20.

Where one of the parties concerned appeals against the joint decision of the two Clearing Offices he shall make a deposit against the costs, which deposit shall only be refunded when the first judgment is modified in favour of the appellant and in proportion to the success he may attain, his opponent in case of such a refund being required to pay an equivalent proportion of the costs and expenses. Security accepted by the Tribunal may be substituted for a deposit.

A fee of 5 per cent of the amount in dispute shall be charged in respect of all cases brought before the Tribunal. This fee shall, unless the Tribunal directs otherwise, be borne by the unsuccessful party. Such fee shall be added to the deposit referred to. It is also independent of the security.

The Tribunal may award to one of the parties a sum in respect of the expenses of the proceedings.

Any sum payable under this paragraph shall be credited to the Clearing Office of the successful party as a separate item.

21.

With a view to the rapid settlement of claims, due regard shall be paid in the appointment of all persons connected with the Clearing Offices or with the Mixed Arbitral Tribunal to their knowledge of the language of the other country concerned.

Each of the Clearing Offices will be at liberty to correspond with the other and to forward documents in its own language.

22.

Subject to any special agreement to the contrary between the Governments concerned, debts shall carry interest in accordance with the following provisions:—

Interest shall not be payable on sums of money due by way of dividend, interest or other periodical payments which themselves represent interest on capital.

The rate of interest shall be 5 per cent per annum, except in cases where, by contract, law or custom, the creditor is entitled to payment of interest at a different rate. In such cases the rate to which he is entitled shall prevail.

Interest shall run from the date of commencement of hostilities (or, if the sum of money to be recovered fell due during the war, from the date at which it fell due) until the sum is credited to the Clearing Office of the creditor.

Sums due by way of interest shall be treated as debts admitted by the Clearing Offices and shall be credited to the Creditor Clearing Office in the same way as such debts.

23.

Where by decision of the Clearing Offices or the Mixed Arbitral Tribunal a claim is held not to fall within Article 248, the creditor shall be at liberty to prosecute the claim before the Courts or to take such other proceedings as may be open to him.

The presentation of a claim to the Clearing Office suspends the operation of any period of prescription.

24.

The High Contracting Parties agree to regard the decisions of the Mixed Arbitral Tribunal as final and conclusive, and to render them binding upon their nationals.

25.

In any case where a Creditor Clearing Office declines to notify a claim to the Debtor Clearing Office, or to take any step provided for in this Annex intended to make effective in whole or in part a request of which it has received due notice, the enemy creditor shall be entitled to receive from the Clearing Office a certificate setting out the amount of the claim, and shall then be entitled to prosecute the claim before the courts or to take such other proceedings as may be open to him.

SECTION IV.

Property, Rights and Interests.

ARTICLE 249.

The question of private property, rights and interests in an enemy country shall be settled according to the principles laid down in this Section and to the provisions of the Annex hereto.

(a) The exceptional war measures and measures of transfer (defined in paragraph 3 of the Annex hereto) taken in the territory of the former Austrian Empire with respect to the property, rights and interest of nationals of Allied or Associated Powers, including companies and associations in which they are interested, when liquidation has not been completed, shall be immediately discontinued or stayed and the property, rights and interests concerned restored to their owners.

(b) Subject to any contrary stipulations which may be provided for in the present Treaty, the Allied and Associated Powers reserve the right to retain and liquidate all property, rights and interests which belong at the date of the coming into force of the present Treaty to nationals of the former Austrian Empire, or companies controlled by them, and are within the territories, colonies, possessions and protectorates of such Powers (including territories ceded to them by the present Treaty) or are under the control of those Powers.

The liquidation shall be carried out in accordance with the laws of the Allied or Associated State concerned, and the owner shall not be able to dispose of such property, rights or interests nor to subject them to any charge without the consent of that State.

Persons who within six months of the coming into force of the present Treaty show that they have acquired *ipso facto* in accordance with its provisions the nationality of an Allied or Associated Power, including those who under Articles 72 or 76 obtain such nationality with the consent of the competent authorities, or who under Articles 74 or 77 acquire such nationality in virtue of previous rights of citizenship (*pertinenza*) will not be considered as nationals of the former Austrian Empire within the meaning of this paragraph.

(c) The price or the amount of compensation in respect of the exercise of the right referred to in paragraph (b) will be fixed in accordance with the methods of sale or valuation adopted by the laws of the country in which the property has been retained or liquidated.

(d) As between the Allied and Associated Powers and their nationals on the one hand and nationals of the former Austrian Empire on the other hand, as also between Austria on the one hand and the Allied and Associated Powers and their nationals on the other hand, all exceptional war measures, or measures of transfer, or acts done or to be done in execution of such measures as defined in paragraphs 1 and 3 of the Annex hereto shall be considered as final and binding upon all persons except as regards the reservations laid down in the present Treaty.

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(e) The nationals of Allied and Associated Powers shall be entitled to compensation in respect of damage or injury inflicted upon their property, rights or interests, including any company or association in which they are interested, in the territory of the former Austrian Empire, by the application either of the exceptional war measures or measures of transfer mentioned in paragraphs 1 and 3 of the Annex hereto. The claims made in this respect by such nationals shall be investigated, and the total of the compensation shall be determined by the Mixed Arbitral Tribunal provided for in Section VI or by an arbitrator appointed by that Tribunal. This compensation shall be borne by Austria, and may be charged upon the property of nationals of the former Austrian Empire, or companies controlled by them, as defined in paragraph (b), within the territory or under the control of the claimant's State. This property may be constituted as a pledge for enemy liabilities under the conditions fixed by paragraph 4 of the Annex hereto. The payment of this compensation may be made by the Allied or Associated State, and the amount will be debited to Austria.

(f) Whenever a national of an Allied or Associated Power is entitled to property which has been subjected to a measure of transfer in the territory of the former Austrian Empire and expresses a desire for its restitution, his claim for compensation in accordance with paragraph (e) shall be satisfied by the restitution of the said property if it still exists in specie.

In such case Austria shall take all necessary steps to restore the evicted owner to the possession of his property, free from all encumbrances or burdens with which it may have been charged after the liquidation, and to indemnify all third parties injured by the restitution.

If the restitution provided for in this paragraph cannot be effected, private agreements arranged by the intermediation of the Powers concerned or the Clearing Offices provided for in the Annex to Section III may be made, in order to secure that the national of the Allied or Associated Power may secure compensation for the injury referred to in paragraph (e) by the grant of advantages or equivalents which he agrees to accept in place of the property, rights or interests of which he was deprived.

Through restitution in accordance with this Article, the price or the amount of compensation fixed by the application of paragraph (e) will be reduced by the actual value of the property restored, account being taken of compensation in respect of loss of use or deterioration.

(g) The rights conferred by paragraph (f) are reserved to owners who are nationals of Allied or Associated Powers within whose territory legislative measures prescribing the general liquidation of enemy property, rights or interests were not applied before the signature of the Armistice.

(h) Except in cases where, by application of paragraph (f), restitutions in specie have been made, the net proceeds of sales of enemy property, rights or interests wherever situated carried out either by virtue of war legislation, or by application of this Article, and in general all cash assets of enemies, other than proceeds of sales of property or cash assets in Allied or Associated countries belonging to persons covered by the last sentence of paragraph (b) above, shall be dealt with as follows:—

(1) As regards Powers adopting Section III and the Annex thereto, the said proceeds and cash assets shall be credited to the Power of which the owner is a national, through the Clearing Office established thereunder; any credit balance in favour of Austria resulting therefrom shall be dealt with as provided in Article 189, Part VIII (Reparation), of the present Treaty.

(2) As regards Powers not adopting Section III and the Annex thereto, the proceeds of the property, rights and interests, and the cash assets, of the nationals of Allied or Associated Powers held by Austria shall be paid immediately to the person entitled thereto or to his Government; the proceeds of the property, rights and interests, and the cash assets, of nationals of the former Austrian Empire, or companies controlled by them, as defined in paragraph (b), received by an Allied or Associated Power

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shall be subject to disposal by such Power in accordance with its laws and regulations and may be applied in payment of the claims and debts defined by this Article or paragraph 4 of the Annex hereto. Any such property, rights and interests or proceeds thereof or cash assets not used as above provided may be retained by the said Allied or Associated Power, and if retained, the cash value thereof shall be dealt with as provided in Article 189, Part VIII (Reparation), of the present Treaty.

(i) Subject to the provisions of Article 267, in the case of liquidations effected in new States, which are signatories of the present Treaty as Allied and Associated Powers, or in States which are not entitled to share in the reparation payments to be made by Austria, the proceeds of liquidations effected by such States shall, subject to the rights of the Reparation Commission under the present Treaty, particularly under Articles 181, Part VIII (Reparation), and 211, Part IX (Financial Clauses), be paid direct to the owner. If, on the application of that owner, the Mixed Arbitral Tribunal provided for by Section VI of this Part, or an arbitrator appointed by that Tribunal, is satisfied that the conditions of the sale or measures taken by the Government of the State in question outside its general legislation were unfairly prejudicial to the price obtained, they shall have discretion to award to the owner equitable compensation to be paid by that State.

(j) Austria undertakes to compensate her nationals in respect of the sale or retention of their property, rights or interests in Allied or Associated States.

(k) The amounts of all taxes or imposts on capital levied or to be levied by Austria on the property, rights and interests of the nationals of the Allied or Associated Powers from November 3, 1918, until three months from the coming into force of the present Treaty, or, in the case of property, rights or interests which have been subjected to exceptional measures of war, until restitution in accordance with the present Treaty, shall be restored to the owners.

ARTICLE 250.

Austria undertakes, with regard to the property, rights and interests, including companies and associations in which they were interested, restored to nationals of Allied and Associated Powers in accordance with the provisions of Article 249, paragraph (a) or (f):

(a) to restore and maintain, except as expressly provided in the present Treaty, the property, rights and interests of the nationals of Allied or Associated Powers in the legal position obtaining in respect of the property, rights and interests of nationals of the former Austrian Empire under the laws in force before the war;

(b) not to subject the property, rights or interests of the nationals of the Allied or Associated Powers to any measures in derogation of property rights which are not applied equally to the property, rights and interests of Austrian nationals, and to pay adequate compensation in the event of the application of these measures.

ANNEX.

1.

In accordance with the provisions of Article 249, paragraph (d), the validity of vesting orders and of orders for the winding up of businesses or companies, and of any other orders, directions, decisions or instructions of any court or any department of the Government of any of the High Contracting Parties made or given, or purporting to be made or given, in pursuance of war legislation with regard to enemy property, rights and interests is confirmed. The interests of all persons shall be regarded as having been effectively dealt with by any order, direction, decision or instruction deal-

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ing with property in which they may be interested, whether or not such interests are specifically mentioned in the order, direction, decision or instruction. No question shall be raised as to the regularity of a transfer of any property, rights or interests dealt with in pursuance of any such order, direction, decision or instruction. Every action taken with regard to any property, business or company, whether as regards its investigation, sequestration, compulsory administration, use, requisition, supervision or winding up, the sale or management of property, rights or interests, the collection or discharge of debts, the payment of costs, charges or expenses, or any other matter whatsoever, in pursuance of orders, directions, decisions or instructions of any court or of any department of the Government of any of the High Contracting Parties, made or given, or purporting to be made or given, in pursuance of war legislation with regard to enemy property, rights or interests, is confirmed. Provided that the provisions of this paragraph shall not be held to prejudice the titles to property heretofore acquired in good faith and for value and in accordance with the laws of the country in which the property is situated by nationals of the Allied and Associated Powers.

The provisions of this paragraph do not apply to such of the above-mentioned measures as have been taken by the former Austro-Hungarian Government in invaded or occupied territory, nor to such of the above-mentioned measures as have been taken by Austria or the Austrian authorities since November 3, 1918, all of which measures shall be void.

2.

No claim or action shall be made or brought against any Allied or Associated Power or against any person acting on behalf of or under the direction of any legal authority or department of the Government of such a Power by Austria or by any Austrian national or by or on behalf of any national of the former Austrian Empire wherever resident in respect of any act or omission with regard to his property, rights or interests during the war or in preparation for the war. Similarly no claim or action shall be made or brought against any person in respect of any act or omission under or in accordance with the exceptional war measures, laws or regulations of any Allied or Associated Power.

3.

In Article 249 and this Annex the expression "exceptional war measures" includes measures of all kinds, legislative, administrative, judicial or others, that have been taken or will be taken hereafter with regard to enemy property, and which have had or will have the effect of removing from the proprietors the power of disposition over their property, though without affecting the ownership, such as measures of supervision, of compulsory administration, and of sequestration; or measures which have had or will have as an object the seizure of, the use of, or the interference with enemy assets, for whatsoever motive, under whatsoever form or in whatsoever place. Acts in the execution of these measures include all detentions, instructions, orders or decrees of Government departments or courts applying these measures to enemy property, as well as acts performed by any person connected with the administration or the supervision of enemy property, such as the payment of debts, the collecting of credits, the payment of any costs, charges or expenses, or the collecting of fees.

Measures of transfer are those which have affected or will affect the ownership of enemy property by transferring it in whole or in part to a person other than the enemy owner, and without his consent, such as measures directing the sale, liquidation or devolution of ownership in enemy property, or the cancelling of titles or securities.

4.

All property, rights and interests of nationals of the former Austrian Empire within the territory of any Allied or Associated Power and the net proceeds of their

sale, liquidation or other dealing therewith may be charged by that Allied or Associated Power in the first place with payment of amounts due in respect of claims by the nationals of that Allied or Associated Power with regard to their property, rights and interests, including companies and associations in which they are interested, in territory of the former Austrian Empire, or debts owing to them by Austrian nationals, and with payment of claims growing out of acts committed by the former Austro-Hungarian Government or by any Austrian authorities since July 28, 1914, and before that Allied or Associated Power entered into the war. The amount of such claims may be assessed by an arbitrator appointed by M. Gustave Ador, if he is willing, or if no such appointment is made by him, by an arbitrator appointed by the Mixed Arbitral Tribunal provided for in Section VI. They may be charged in the second place with payment of the amounts due in respect of claims by the nationals of such Allied or Associated Power with regard to their property, rights and interests in the territory of other enemy Powers, in so far as those claims are otherwise unsatisfied.

5.

Notwithstanding the provisions of Article 249, where immediately before the outbreak of war a company incorporated in an Allied or Associated State had rights in common with a company controlled by it and incorporated in Austria to the use of trade-marks in third countries, or enjoyed the use in common with such company of unique means of reproduction of goods or articles for sale in third countries, the former company shall alone have the right to use these trade-marks in third countries to the exclusion of the Austrian company, and these unique means of reproduction shall be handed over to the former company, notwithstanding any action taken under war legislation in force in the Austro-Hungarian Monarchy with regard to the latter company or its business, industrial property or shares. Nevertheless the former company, if requested, shall deliver to the latter company derivative copies permitting the continuation of reproduction of articles for use within Austrian territory.

6.

Up to the time when restitution is carried out in accordance with Article 249, Austria is responsible for the conservation of property, rights and interests of the nationals of Allied or Associated Powers, including companies and associations in which they are interested, that have been subjected by her to exceptional war measures.

7.

Within one year from the coming into force of the present Treaty the Allied or Associated Powers will specify the property, rights and interests over which they intend to exercise the right provided in Article 249, paragraph (f).

8.

The restitution provided in Article 249 will be carried out by order of the Austrian Government or of the authorities which have been substituted for it. Detailed accounts of the action of administrators shall be furnished to the interested persons by the Austrian authorities upon request, which may be made at any time after the coming into force of the present Treaty.

9.

Until completion of the liquidation provided for by Article 249, paragraph (b), the property, rights and interests of the persons referred to in that paragraph will continue to be subject to exceptional war measures that have been or will be taken with regard to them.

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10.

Austria will, within six months from the coming into force of the present Treaty, deliver to each Allied or Associated Power all securities, certificates, deeds or other documents of title held by its nationals and relating to property, rights or interests situated in the territory of that Allied or Associated Power, including any shares, stock, debentures, debenture stock or other obligations of any company incorporated in accordance with the laws of that Power.

Austria will at any time on demand of any Allied or Associated Power furnish such information as may be required with regard to the property, rights and interests of Austrian nationals within the territory of such Allied or Associated Power, or with regard to any transactions concerning such property, rights or interests effected since July 1, 1914.

11.

The expression "cash assets" includes all deposits or funds established before or after the existence of a state of war, as well as all assets coming from deposits, revenues or profits collected by administrators, sequestrators or others from funds placed on deposit or otherwise, but does not include sums belonging to the Allied or Associated Powers or to their component States, Provinces or Municipalities.

12.

All investments wheresoever effected with the cash assets of nationals of the High Contracting Parties, including companies and associations in which such nationals were interested, by persons responsible for the administration of enemy properties or having control over such administration, or by order of such persons or of any authority whatsoever, shall be annulled. These cash assets shall be accounted for irrespective of any such investment.

13.

Within one month from the coming into force of the present Treaty, or on demand at any time, Austria will deliver to the Allied and Associated Powers all accounts, vouchers, records, documents and information of any kind which may be within Austrian territory, and which concern the property, rights and interests of the nationals of those Powers, including companies and associations in which they are interested, that have been subjected to an exceptional war measure, or to a measure of transfer either in the territory of the former Austrian Empire or in territory occupied by that Empire or its allies.

The controllers, supervisors, managers, administrators, sequestrators, liquidators and receivers shall be personally responsible under guarantee of the Austrian Government for the immediate delivery in full of these accounts and documents, and for their accuracy.

14.

The provisions of Article 249 and this Annex relating to property, rights and interests in an enemy country, and the proceeds of the liquidation thereof, apply to debts, credits and accounts, Section III regulating only the method of payment.

In the settlement of matters provided for in Article 249 between Austria and the Allied or Associated Powers, their colonies or protectorates, or any one of the British Dominions or India, in respect of any of which a declaration shall not have been made that they adopt Section III, and between their respective nationals, the provisions of Section III respecting the currency in which payment is to be made and the rate

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of exchange and of interest shall apply unless the Government of the Allied or Associated Power concerned shall within six months of the coming into force of the present Treaty notify Austria that one or more of the said provisions are not to be applied.

15.

The provisions of Article 249 and this Annex apply to industrial, literary and artistic property which has been or will be dealt with in the liquidation of property, rights, interests, companies or businesses under war legislation by the Allied or Associated Powers, or in accordance with the stipulations of Article 249, paragraph (b).

SECTION V.

Contracts, Prescriptions, Judgments.

ARTICLE 251.

(a) Any contract concluded between enemies shall be regarded as having been dissolved as from the time when any two of the parties became enemies, except in respect of any debt or other pecuniary obligation arising out of any act done or money paid thereunder, and subject to the exceptions and special rules with regard to particular contracts or classes of contracts contained herein or in the Annex hereto.

(b) Any contract of which the execution shall be required in the general interest, within six months from the date of the coming into force of the present Treaty, by the Government of the Allied or Associated Power of which one of the parties is a national, shall be excepted from dissolution under this Article.

When the execution of the contract thus kept alive would, owing to the alteration of trade conditions, cause one of the parties substantial prejudice the Mixed Arbitral Tribunal provided for by Section VI shall be empowered to grant to the prejudiced party equitable compensation.

(c) Having regard to the provisions of the constitution and law of the United States of America, of Brazil, and of Japan, neither the present Article, nor Article 252, nor the Annex hereto shall apply to contracts made between nationals of these States and nationals of the former Austrian Empire; nor shall Article 257 apply to the United States of America or its nationals.

(d) The present Article and the Annex hereto shall not apply to contracts the parties to which became enemies by reason of one of them being an inhabitant of territory of which the sovereignty has been transferred, if such party shall acquire under the present Treaty the nationality of an Allied or Associated Power, nor shall they apply to contracts between nationals of the Allied and Associated Powers between whom trading has been prohibited by reason of one of the parties being in Allied or Associated territory in the occupation of the enemy.

(e) Nothing in the present Article or the Annex hereto shall be deemed to invalidate a transaction lawfully carried out in accordance with a contract between enemies if it has been carried out with the authority of one of the belligerent Powers.

ARTICLE 252.

(a) All periods of prescription, or limitation of right of action, whether they began to run before or after the outbreak of war, shall be treated in the territory of the High Contracting Parties, so far as regards relations between enemies, as having been suspended for the duration of the war. They shall begin to run again at earliest

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three months after the coming into force of the present Treaty. This provision shall apply to the period prescribed for the presentation of interest or dividend coupons or for the presentation for repayment of securities drawn for repayment or repayable on any other ground.

(b) Where, on account of failure to perform any act or comply with any formality during the war, measures of execution have been taken in the territory of the former Austrian Empire to the prejudice of a national of an Allied or Associated Power, the claim of such national shall, if the matter does not fall within the competence of the Courts of an Allied or Associated Power, be heard by the Mixed Arbitral Tribunal provided for by Section VI.

(c) Upon the application of any interested person who is a national of an Allied or Associated Power the Mixed Arbitral Tribunal shall order the restoration of the rights which have been prejudiced by the measures of execution referred to in paragraph (b), wherever, having regard to the particular circumstances of the case, such restoration is equitable and possible.

If such restoration is inequitable or impossible the Mixed Arbitral Tribunal may grant compensation to the prejudiced party to be paid by the Austrian Government.

(d) Where a contract between enemies has been dissolved by reason either of failure on the part of either party to carry out its provisions or of the exercise of a right stipulated in the contract itself the party prejudiced may apply to the Mixed Arbitral Tribunal for relief. The Tribunal will have the powers provided for in paragraph (c).

(e) The provisions of the preceding paragraphs of this Article shall apply to the nationals of Allied and Associated Powers who have been prejudiced by reason of measures referred to above taken by the authorities of the former Austrian Government in invaded or occupied territory, if they have not been otherwise compensated.

(f) Austria shall compensate any third party who may be prejudiced by any restitution or restoration ordered by the Mixed Arbitral Tribunal under the provisions of the preceding paragraphs of this Article.

(g) As regards negotiable instruments, the period of three months provided under paragraph (a) shall commence as from the date on which any exceptional regulations applied in the territories of the interested Power with regard to negotiable instruments shall have definitely ceased to have force.

ARTICLE 253.

As between enemies no negotiable instrument made before the war shall be deemed to have become invalid by reason only of failure within the required time to present the instrument for acceptance or payment or to give notice of non-acceptance or non-payment to drawers or indorsers or to protest the instrument, nor by reason of failure to complete any formality during the war.

Where the period within which a negotiable instrument should have been presented for acceptance or for payment, or within which notice of non-acceptance or non-payment should have been given to the drawer or indorser, or within which the instrument should have been protested, has elapsed during the war, and the party who should have presented or protested the instrument or have given notice of non-acceptance or non-payment has failed to do so during the war, a period of not less than three months from the coming into force of the present Treaty shall be allowed within which presentation, notice of non-acceptance or non-payment or protest may be made.

ARTICLE 254.

Judgments given by the Courts of an Allied or Associated Power in all cases which, under the present Treaty, they are competent to decide, shall be recognized in Austria as final, and shall be enforced without it being necessary to have them declared executory.

If a judgment or measure of execution in respect of any dispute which may have arisen has been given during the war by a judicial authority of the former Austrian Empire against a national of an Allied or Associated Power, or a company or association in which one of such nationals was interested, in a case in which either such national or such company or association was not able to make their defence, the Allied and Associated national who has suffered prejudice thereby shall be entitled to recover compensation to be fixed by the Mixed Arbitral Tribunal provided for in Section VI.

At the instance of the national of the Allied or Associated Power the compensation above mentioned may, upon order to that effect of the Mixed Arbitral Tribunal, be effected where it is possible by replacing the parties in the situation which they occupied before the judgment was given by the Austrian Court.

The above compensation may likewise be obtained before the Mixed Arbitral Tribunal by the nationals of Allied or Associated Powers who have suffered prejudice by judicial measures taken in invaded or occupied territories, if they have not been otherwise compensated.

ARTICLE 255.

For the purpose of Sections III, IV, V and VII, the expression "during the war" means for each Allied or Associated Power the period between the commencement of the state of war between that Power and the former Austro-Hungarian Monarchy and the coming into force of the present Treaty.

ANNEX.

1. *General Provisions.*

1.

Within the meaning of Articles 251, 252, and 253, the parties to a contract shall be regarded as enemies when trading between them shall have been prohibited by or otherwise became unlawful under laws, orders or regulations to which one of those parties was subject. They shall be deemed to have become enemies from the date when such trading was prohibited or otherwise became unlawful.

2.

The following classes of contracts are excepted from dissolution by Article 251 and, without prejudice to the rights contained in Article 249 (b) of Section IV, remain in force subject to the application of domestic laws, orders or regulations made during the war by the Allied and Associated Powers and subject to the terms of the contracts:

(a) Contracts having for their object the transfer of estates or of real or personal property where the property therein had passed or the object had been delivered before the parties became enemies;

(b) Leases and agreements for leases of land and houses;

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- (c) Contracts of mortgage, pledge, or lien;
- (d) Concessions concerning mines, quarries or deposits;
- (e) Contracts between individuals or companies and States, provinces, municipalities or other similar juridical persons charged with administrative functions, and concessions granted by States, provinces, municipalities or other similar juridical persons charged with administrative functions.

3.

If the provisions of a contract are in part dissolved under Article 251, the remaining provisions of that contract shall, subject to the same application of domestic laws as is provided for in paragraph 2, continue in force if they are severable, but where they are not severable the contract shall be deemed to have been dissolved in its entirety.

*II. Provisions relating to certain classes of Contracts.**Stock Exchange and Commercial Exchange Contracts.*

4.

(a) Rules made during the war by any recognized Exchange or Commercial Association providing for the closure of contracts entered into before the war by an enemy are confirmed by the High Contracting Parties, as also any action taken thereunder, provided:

(1) that the contract was expressed to be made subject to the rules of the Exchange or Association in question;

(2) that the rules applied to all persons concerned;

(3) that the conditions attaching to the closure were fair and reasonable.

(b) The preceding paragraph shall not apply to rules made during the occupation by Exchanges or Commercial Associations in the districts occupied by the enemy.

(c) The closure of contracts relating to cotton "futures," which were closed as on July 31, 1914, under the decision of the Liverpool Cotton Association, is also confirmed.

Security.

5.

The sale of a security held for an unpaid debt owing by an enemy shall be deemed to have been valid irrespective of notice to the owner if the creditor acted in good faith and with reasonable care and prudence, and no claim by the debtor on the ground of such sale shall be admitted.

This stipulation shall not apply to any sale of securities effected by an enemy during the occupation in regions invaded or occupied by the enemy.

Negotiable Instruments.

6.

As regards Powers which adopt Section III and the Annex thereto the pecuniary obligations existing between enemies and resulting from the issue of negotiable instruments shall be adjusted in conformity with the said Annex by the instrumentality of the Clearing Offices, which shall assume the rights of the holder as regards the various remedies open to him.

7.

If a person has either before or during the war become liable upon a negotiable instrument in accordance with an undertaking given to him by a person who has subsequently become an enemy, the latter shall remain liable to indemnify the former in respect of his liability notwithstanding the outbreak of war.

III. *Contracts of Insurance.*

8.

Contracts of insurance entered into by any person with another person who subsequently became an enemy will be dealt with in accordance with the following paragraphs.

Fire Insurance.

9.

Contracts for the insurance of property against fire entered into by a person interested in such property with another person who subsequently became an enemy shall not be deemed to have been dissolved by the outbreak of war, or by the fact of the person becoming an enemy, or on account of the failure during the war and for a period of three months thereafter to perform his obligations under the contract, but they shall be dissolved at the date when the annual premium becomes payable for the first time after the expiration of a period of three months after the coming into force of the present Treaty.

A settlement shall be effected of unpaid premiums which became due during the war or of claims for losses which occurred during the war.

10.

Where by administrative or legislative action an insurance against fire effected before the war has been transferred during the war from the original to another insurer, the transfer will be recognized and the liability of the original insurer will be deemed to have ceased as from the date of the transfer. The original insurer will, however, be entitled to receive on demand full information as to the terms of the transfer, and if it should appear that these terms were not equitable they shall be amended so far as may be necessary to render them equitable.

Furthermore, the insured shall, subject to the concurrence of the original insurer, be entitled to retransfer the contract to the original insurer as from the date of the demand.

Life Insurance.

11.

Contracts of life insurance entered into between an insurer and a person who subsequently became an enemy shall not be deemed to have been dissolved by the outbreak of war, or by the fact of the person becoming an enemy.

Any sum which during the war became due upon a contract deemed not to have been dissolved under the preceding provision shall be recoverable after the war with the addition of interest at five per cent per annum from the date of its becoming due up to the day of payment.

Where the contract has lapsed during the war owing to non-payment of premiums, or has become void from breach of the conditions of the contract, the assured or his representatives or the persons entitled shall have the right at any time within twelve months of the coming into force of the present Treaty to claim from the insurer the surrender value of the policy at the date of its lapse or avoidance.

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Where the contract has lapsed during the war owing to non-payment of premiums the payment of which has been prevented by the enforcement of measures of war, the assured or his representative or the persons entitled shall have the right to restore the contract on payment of the premiums with interest at five per cent per annum within three months from the coming into force of the present Treaty.

12.

Where contracts of life insurance have been entered into by a local branch of an insurance company established in a country which subsequently became an enemy country, the contract shall, in the absence of any stipulation to the contrary in the contract itself, be governed by the local law, but the insurer shall be entitled to demand from the insured or his representatives the refund of sums paid on claims made or enforced under measures taken during the war, if the making or enforcement of such claims was not in accordance with the terms of the contract itself or was not consistent with the laws or treaties existing at the time when it was entered into.

13.

In any case where by the law applicable to the contract the insurer remains bound by the contract notwithstanding the non-payment of premiums until notice is given to the insured of the termination of the contract, he shall be entitled, where the giving of such notice was prevented by the war, to recover the unpaid premiums with interest at five per cent per annum from the insured.

14.

Insurance contracts shall be considered as contracts of life assurance for the purpose of paragraphs 11 to 13 when they depend on the probabilities of human life combined with the rate of interest for the calculation of the reciprocal engagements between the two parties.

Marine Insurance.

15.

Contracts of marine insurance including time policies and voyage policies entered into between an insurer and a person who subsequently became an enemy shall be deemed to have been dissolved on his becoming an enemy, except in cases where the risk undertaken in the contract had attached before he became an enemy.

Where the risk had not attached, money paid by way of premium or otherwise shall be recoverable from the insurer.

Where the risk had attached effect shall be given to the contract notwithstanding the party becoming an enemy, and sums due under the contract either by way of premiums or in respect of losses shall be recoverable after the coming into force of the present Treaty.

In the event of any agreement being come to for the payment of interest on sums due before the war to or by the nationals of States which have been at war and recovered after the war, such interest shall in the case of losses recoverable under contracts of marine insurance run from the expiration of a period of one year from the date of the loss.

16.

No contract of marine insurance with an insured person who subsequently became an enemy shall be deemed to cover losses due to belligerent action by the Power of which the insurer was a national or by the allies or associates of such Power.

17.

Where it is shown that a person who had before the war entered into a contract of marine insurance with an insurer who subsequently became an enemy entered after the outbreak of war into a new contract covering the same risk with an insurer who was not an enemy, the new contract shall be deemed to be substituted for the original contract as from the date when it was entered into, and the premiums payable shall be adjusted on the basis of the original insurer having remained liable on the contract only up till the time when the new contract was entered into.

Other Insurances.

18.

Contracts of insurance entered into before the war between an insurer and a person who subsequently became an enemy, other than contracts dealt with in paragraphs 9 to 17, shall be treated in all respects on the same footing as contracts of fire insurance between the same persons would be dealt with under the said paragraphs.

Re-insurance.

19.

All treaties of re-insurance with a person who became an enemy shall be regarded as having been abrogated by the person becoming an enemy, but without prejudice in the case of life or marine risks which had attached before the war to the right to recover payment after the war for sums due in respect of such risks.

Nevertheless if, owing to invasion, it has been impossible for the re-insured to find another re-insurer, the treaty shall remain in force until three months after the coming into force of the present Treaty.

Where a re-insurance treaty becomes void under this paragraph, there shall be an adjustment of accounts between the parties in respect both of premiums paid and payable and of liabilities for losses in respect of life or marine risks which had attached before the war. In the case of risks other than those mentioned in paragraphs 11 to 17 the adjustment of accounts shall be made as at the date of the parties becoming enemies without regard to claims for losses which may have occurred since that date.

20.

The provisions of the preceding paragraph will extend equally to re-insurances, existing at the date of the parties becoming enemies, of particular risks undertaken by the insurer in a contract of insurance against any risks other than life or marine risks.

21.

Re-insurance of life risks effected by particular contracts and not under any general treaty remain in force.

22.

In case of a re-insurance effected before the war of a contract of marine insurance, the cession of a risk which had been ceded to the re-insurer shall, if it had attached before the outbreak of war, remain valid and effect be given to the contract notwithstanding the outbreak of war; sums due under the contract of re-insurance in respect either of premiums or of losses shall be recoverable after the war.

23.

The provisions of paragraphs 16 and 17 and the last part of paragraph 15 shall apply to contracts for the re-insurance of marine risks.

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SECTION VI.

Mixed Arbitral Tribunal.

ARTICLE 256.

(a) Within three months from the coming into force of the present Treaty, a Mixed Arbitral Tribunal shall be established between each of the Allied and Associated Powers on the one hand and Austria on the other hand. Each such Tribunal shall consist of three members. Each of the Governments concerned shall appoint one of these members. The President shall be chosen by agreement between the two Governments concerned.

In case of failure to reach agreement, the President of the Tribunal and two other persons, either of whom may in case of need take his place, shall be chosen by the Council of the League of Nations, or, until this is set up, by M. Gustave Ador if he is willing. These persons shall be nationals of Powers that have remained neutral during the war.

If in case there is a vacancy a Government does not proceed within a period of one month to appoint as provided above a member of the Tribunal, such member shall be chosen by the other Government from the two persons mentioned above other than the President.

The decision of the majority of the members of the Tribunal shall be the decision of the Tribunal.

(b) The Mixed Arbitral Tribunals established pursuant to paragraph (a) shall decide all questions within their competence under sections III, IV, V and VII.

In addition, all questions, whatsoever their nature, relating to contracts concluded before the coming into force of the present Treaty between nationals of the Allied and Associated Powers and Austrian nationals shall be decided by the Mixed Arbitral Tribunal, always excepting questions which, under the laws of the Allied, Associated or Neutral Powers, are within the jurisdiction of the National Courts of those Powers. Such questions shall be decided by the National Courts in question, to the exclusion of the Mixed Arbitral Tribunal. The party who is a national of an Allied or Associated Power may nevertheless bring the case before the Mixed Arbitral Tribunal if this is not prohibited by the laws of his country.

(c) If the number of cases justifies it, additional members shall be appointed and each Mixed Arbitral Tribunal shall sit in divisions. Each of these divisions will be constituted as above.

(d) Each Mixed Arbitral Tribunal will settle its own procedure except in so far as it is provided in the following Annex, and is empowered to award the sums to be paid by the loser in respect of the costs and expenses of the proceedings.

(e) Each Government will pay the remuneration of the member of the Mixed Arbitral Tribunal appointed by it and of any agent whom it may appoint to represent it before the Tribunal. The remuneration of the President will be determined by special agreement between the Governments concerned; and this remuneration and the joint expenses of each Tribunal will be paid by the two Governments in equal moieties.

(f) The High Contracting Parties agree that their courts and authorities shall render to the Mixed Arbitral Tribunals direct all the assistance in their power, particularly as regards transmitting notices and collecting evidence.

(g) The High Contracting Parties agreed to regard the decisions of the Mixed Arbitral Tribunal as final and conclusive, and to render them binding upon their nationals.

ANNEX.

1.

Should one of the members of the Tribunal either die, retire or be unable for any reason whatever to discharge his functions, the same procedure will be followed for filling the vacancy as was followed for appointing him.

2.

The Tribunal may adopt such rules of procedure as shall be in accordance with justice and equity and decide the order and time at which each party must conclude its arguments, and may arrange all formalities required for dealing with the evidence.

3.

The agent and counsel of the parties on each side are authorized to present orally and in writing to the Tribunal arguments in support or in defence of each case.

4.

The Tribunal shall keep record of the questions and cases submitted and the proceedings thereon, with the dates of such proceedings.

5.

Each of the Powers concerned may appoint a secretary. These secretaries shall act together as joint secretaries of the Tribunal and shall be subject to its direction. The Tribunal may appoint and employ any other necessary officer or officers to assist in the performance of its duties.

6.

The Tribunal shall decide all questions and matters submitted upon such evidence and information as may be furnished by the parties concerned.

7.

The High Contracting Parties agree to give the Tribunal all facilities and information required by it for carrying out its investigations.

8.

The language in which the proceedings shall be conducted shall, unless otherwise agreed, be English, French, Italian or Japanese, as may be determined by the Allied or Associated Power concerned.

9.

The place and time for the meetings of each Tribunal shall be determined by the President of the Tribunal.

ARTICLE 257.

Whenever a competent court has given or gives a decision in a case covered by Sections III, IV, V or VII, and such decision is inconsistent with the provisions of such Sections, the party who is prejudiced by the decision shall be entitled to obtain redress which shall be fixed by the Mixed Arbitral Tribunal. At the request of the national of an Allied or Associated Power, the redress may, whenever possible, be effected by the Mixed Arbitral Tribunal directing the replacement of the parties in the position occupied by them before the judgment was given by the court of the former Austrian Empire.

SECTION VII.

Industrial Property.

ARTICLE 258.

Subject to the stipulations of the present Treaty, rights of industrial, literary and artistic property, as such property is defined by the International Conventions of Paris and of Berne, mentioned in Articles 237 and 239, shall be re-established or restored, as from the coming into force of the present Treaty, in the territories of the High Contracting Parties, in favour of the persons entitled to the benefit of them at the moment when the state of war commenced, or their legal representatives. Equally, rights which, except for the war, would have been acquired during the war in consequence of an application made for the protection of industrial property, or the publication of a literary or artistic work, shall be recognized and established in favour of those persons who would have been entitled thereto, from the coming into force of the present Treaty.

Nevertheless, all acts done by virtue of the special measures taken during the war under legislative, executive or administrative authority of any Allied or Associated Power in regard to the rights of nationals of the former Austrian Empire in industrial, literary or artistic property shall remain in force and shall continue to maintain their full effect.

No claim shall be made or action brought by Austria or Austrian nationals or by or on behalf of nationals of the former Austrian Empire in respect of the use during the war by the Government of any Allied or Associated Power, or by any persons acting on behalf or with the assent of such Government of any rights in industrial, literary or artistic property, nor in respect of the sale, offering for sale or use of any products, articles or apparatus whatsoever to which such rights applied.

Unless the legislation of any one of the Allied or Associated Powers in force at the moment of the signature of the present Treaty otherwise directs, sums due or paid in respect of the property of persons referred to in Article 249 (b) and in virtue of any act or operation resulting from the execution of the special measures mentioned in the second paragraph of this Article shall be dealt with in the same way as other sums due to such persons are directed to be dealt with by the present Treaty; and sums produced by any special measures taken by the Government of the former Austrian Empire in respect of rights in industrial, literary or artistic property belonging to the nationals of the Allied or Associated Powers shall be considered and treated in the same way as other debts due from Austrian nationals.

Each of the Allied and Associated Powers reserves to itself the right to impose such limitations, conditions or restrictions on rights of industrial, literary or artistic property (with the exception of trade-marks) acquired before or during the war, or which may be subsequently acquired in accordance with its legislation, by Austrian nationals, whether by granting licenses, or by the working, or by preserving control over their exploitation, or in any other way, as may be considered necessary for national defence, or in the public interest, or for assuring the fair treatment by Austria of the rights of industrial, literary and artistic property held in Austrian territory by its nationals, or for securing the due fulfilment of all obligations undertaken by Austria in the present Treaty. As regards rights of industrial, literary and artistic property acquired after the coming into force of the present Treaty, the right so reserved by the Allied and Associated Powers shall only be exercised in cases where these limitations, conditions or restrictions may be considered necessary for national defence or in the public interest.

In the event of the application of the provisions of the preceding paragraph by any Allied or Associated Power, there shall be paid reasonable indemnities or royal-

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ties, which shall be dealt with in the same way as other sums due to Austrian nationals are directed to be dealt with by the present Treaty.

Each of the Allied or Associated Powers reserves the right to treat as void and of no effect any transfer in whole or in part of or other dealing with rights of or in respect of industrial, literary or artistic property effected after July 28, 1914, or in the future, which would have the result of defeating the objects of the provisions of this Article.

The provisions of this Article shall not apply to rights in industrial, literary or artistic property which have been dealt with in the liquidation of businesses or companies under war legislation by the Allied or Associated Powers, or which may be so dealt with by virtue of Article 249, paragraph (b).

ARTICLE 259.

A minimum of one year after the coming into force of the present Treaty shall be accorded to the nationals of the High Contracting Parties, without extension fees or other penalty, in order to enable such persons to accomplish any act, fulfil any formality, pay any fees, and generally satisfy any obligation prescribed by the laws or regulations of the respective States relating to the obtaining, preserving or opposing rights to, or in respect of, industrial property either acquired before July 28, 1914, or which, except for the war, might have been acquired since that date as a result of an application made before the war or during its continuance, but nothing in this Article shall give any right to re-open interference proceedings in the United States of America where a final hearing has taken place.

All rights in, or in respect of, such property which may have lapsed by reason of any failure to accomplish any act, fulfil any formality, or make any payment, shall revive, but subject in the case of patents and designs to the imposition of such conditions as each Allied or Associated Power may deem reasonably necessary for the protection of persons who have manufactured or made use of the subject matter of such property while the rights had lapsed. Further, where rights to patents or designs belonging to Austrian nationals are revived under this Article, they shall be subject in respect of the grant of licenses to the same provisions as would have been applicable to them during the war, as well as to all the provisions of the present Treaty.

The period from July 28, 1914, until the coming into force of the present Treaty shall be excluded in considering the time within which a patent should be worked or a trade mark or design used, and it is further agreed that no patent, registered trade mark or design in force on July 28, 1914, shall be subject to revocation or cancellation by reason only of the failure to work such patent or use such trade mark or design for two years after the coming into force of the present Treaty.

ARTICLE 260.

The rights of priority provided by Article 4 of the International Convention for the Protection of Industrial Property of Paris of March 20, 1883, revised at Washington in 1911, or by any other Convention or Statute, for the filing or registration of applications for patents or models of utility, and for the registration of trade marks, designs and models which had not expired on July 28, 1914, and those which have arisen during the war, or would have arisen but for the war, shall be extended by each of the High Contracting Parties in favour of all nationals of the other High Contracting Parties for a period of six months after the coming into force of the present Treaty.

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Nevertheless, such extension shall in no way affect the right of any of the High Contracting Parties or of any person who before the coming into force of the present Treaty was *bonâ fide* in possession of any rights of industrial property conflicting with rights applied for by another who claims rights of priority in respect of them, to exercise such rights by itself or himself personally, or by such agents or licensees as derived their rights from it or him before the coming into force of the present Treaty; and such persons shall not be amenable to any action or other process of law in respect of infringement.

ARTICLE 261.

No action shall be brought and no claim made by nationals of the former Austrian Empire, or by persons residing or carrying on business within the territory of that Empire, on the one part, and on the other part by persons residing or carrying on business in the territory of the Allied or Associated Powers, or persons who are nationals of such Powers respectively, or by any one deriving title during the war from such persons, by reason of any action which has taken place within the territory of the other party between the date of the existence of a state of war and that of the coming into force of the present Treaty, which might constitute an infringement of the rights of industrial property or rights of literary and artistic property, either existing at any time during the war or revived under the provisions of Articles 259 and 260.

Equally, no action for infringement of industrial, literary or artistic property rights by such persons shall at any time be permissible in respect of the sale or offering for sale for a period of one year after the signature of the present Treaty in the territories of the Allied or Associated Powers on the one hand or Austria on the other, of products or articles manufactured, or of literary or artistic works published, during the period between the existence of a state of war and the signature of the present Treaty, or against those who have acquired and continue to use them. It is understood, nevertheless, that this provision shall not apply when the possessor of the rights was domiciled or had an industrial or commercial establishment in the districts occupied by the Austro-Hungarian armies during the war.

This Article shall not apply as between the United States of America on the one hand and Austria on the other.

ARTICLE 262.

Licenses in respect of industrial, literary or artistic property concluded before the war between nationals of the Allied or Associated Powers or persons residing in their territory or carrying on business therein, on the one part, and nationals of the former Austrian Empire, on the other part, shall be considered as cancelled as from the date of the existence of a state of war between the former Austro-Hungarian Monarchy and the Allied or Associated Power. But, in any case, the former beneficiary of a contract of this kind shall have the right, within a period of six months after the coming into force of the present Treaty, to demand from the proprietor of the rights the grant of a new license, the conditions of which, in default of agreement between the parties, shall be fixed by the duly qualified tribunal in the country under whose legislation the rights had been acquired, except in the case of licenses held in respect of rights acquired under the law of the former Austrian Empire. In such cases the conditions shall be fixed by the Mixed Arbitral Tribunal referred to in Section VI of this Part. The tribunal may, if necessary, fix also the amount which it may deem just should be paid by reason of the use of the rights during the war.

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No license in respect of industrial, literary or artistic property, granted under the special war legislation of any Allied or Associated Power, shall be affected by the continued existence of any license entered into before the war, but shall remain valid and of full effect. and a license so granted to the former beneficiary of a license entered into before the war shall be considered as substituted for such license.

Where sums have been paid during the war in respect of the rights of persons referred to in Article 249 (*b*) by virtue of a license or agreement concluded before the war in respect of rights of industrial property or for the reproduction or the representation of literary, dramatic or artistic works, these sums shall be dealt with in the same manner as other debts or credits of such persons as provided by the present Treaty.

This Article shall not apply as between the United States of America on the one hand and Austria on the other.

SECTION VIII.

Special Provisions relating to Transferred Territory.

ARTICLE 263.

Of the individuals and juridical persons previously nationals of the former Austrian Empire, including Bosnia-Herzegovinians, those who acquire *ipso facto* under the present Treaty the nationality of an Allied or Associated Power are designated in the provisions which follow by the expression "nationals of the former Austrian Empire;" the remainder are designated by the expression "Austrian nationals."

ARTICLE 264.

The inhabitants of territories transferred by virtue of the present Treaty shall, notwithstanding this transfer and the change of nationality consequent thereon, continue to enjoy in Austria all the rights in industrial, literary and artistic property to which they were entitled under the legislation in force at the time of the transfer.

ARTICLE 265.

The questions concerning the nationals of the former Austrian Empire, as well as Austrian nationals, their rights, privileges and property, which are not dealt with in the present Treaty, or in the Treaty prepared for the purpose of regulating certain immediate relations between the States to which territory of the former Austro-Hungarian Monarchy has been transferred, or arising from the dismemberment of that Monarchy, shall form the subject of special conventions between the States concerned, including Austria; such conventions shall not in any way conflict with the provisions of the present Treaty.

For this purpose it is agreed that three months from the coming into force of the present Treaty a Conference of delegates of the States in question shall take place.

ARTICLE 266.

The Austrian Government shall without delay restore to nationals of the former Austrian Empire their property, rights and interests situated in Austrian territory.

The amount of taxes and imposts on capital which have been levied or increased on the property, rights and interests of nationals of the former Austrian Empire since November 3, 1918, or which shall be levied or increased until restitution in accord-

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ance with the provisions of the present Treaty, or, in the case of property, rights and interests which have not been subjected to exceptional measures of war, until three months from the coming into force of the present Treaty, shall be returned to the owners.

The property, rights, and interests restored shall not be subject to any tax levied in respect of any other property or any other business owned by the same person after such property had been removed from Austria, or such business had ceased to be carried on therein.

If taxes of any kind have been paid in anticipation in respect of property, rights and interests removed from Austria, the proportion of such taxes paid for any period subsequent to the removal of the property, rights and interests in question shall be returned to the owners.

Cash assets shall be paid in the currency and at the rate of exchange provided for the case of debts under Articles 248 (*d*) and 271.

Legacies, donations and funds given or established in the former Austro-Hungarian Monarchy for the benefit of nationals of the former Austrian Empire shall be placed by Austria, so far as the funds in question are in her territory, at the disposition of the Allied or Associated Power of which the persons in question are now nationals, in the condition in which these funds were on July 28, 1914, taking account of payments properly made for the purpose of the Trust.

ARTICLE 267.

Notwithstanding the provisions of Article 249 and the Annex to Section IV the property, rights and interests of Austrian nationals or companies controlled by them situated in the territories which formed part of the former Austro-Hungarian Monarchy shall not be subject to retention or liquidation in accordance with these provisions.

Such property, rights and interests shall be restored to their owners freed from any measure of this kind, or from any other measure of transfer, compulsory administration or sequestration, taken since November 3, 1918, until the coming into force of the present Treaty, in the condition in which they were before the application of the measures in question.

The property, rights and interests here referred to do not include property which is the subject of Article 208, Part IX (Financial Clauses).

Nothing in this Article shall affect the provisions laid down in Part VIII (Reparation), Section I, Annex III, as to property of Austrian nationals in ships and boats.

ARTICLE 268.

All contracts for the sale of goods for delivery by sea concluded before January 1, 1917, between nationals of the former Austrian Empire on the one part and the administrations of the former Austro-Hungarian Monarchy, Austria, or Bosnia-Herzegovina, or Austrian nationals on the other part, shall be annulled, except in respect of any debt or other pecuniary obligation arising out of any act done or money paid thereunder. All other contracts between such parties which were made before November 1, 1918, and were in force at that date shall be maintained.

ARTICLE 269.

With regard to prescriptions, limitations and forfeitures in the transferred territories, the provisions of Articles 252 and 253 shall be applied with substitution for the expression "outbreak of war" of the expression "date, which shall be fixed by administrative decision of each Allied or Associated Power, at which relations between

the parties became impossible in fact or in law," and for the expression "duration of the war" of the expression "period between the date above indicated and that of the coming into force of the present Treaty."

ARTICLE 270.

Austria undertakes not to impede in any way the transfer of property, rights or interests belonging to a company incorporated in accordance with the laws of the former Austro-Hungarian Monarchy, in which Allied or Associated nationals are interested, to a company incorporated in accordance with the laws of any other Power, to facilitate all measures necessary for giving effect to such transfer, and to render any assistance which may be required for effecting the restoration to Allied or Associated nationals, or to companies in which they are interested, of their property, rights or interests whether in Austria or in transferred territory.

ARTICLE 271.

Section III, except Article 248 (*d*), shall not apply to debts contracted between Austrian nationals and nationals of the former Austrian Empire.

Subject to the special provisions laid down in Article 248 (*d*) for the case of the new States, these debts shall be paid in the legal currency at the time of payment of the State of which the national of the former Austrian Empire has become a national, and the rate of exchange applicable shall be the average rate quoted on the Geneva Exchange during the two months preceding November 1, 1918.

ARTICLE 272.

Insurance companies whose principal place of business was in territory which previously formed part of the former Austro-Hungarian Monarchy shall have the right to carry on their business in Austrian territory for a period of ten years from the coming into force of the present Treaty, without the rights which they previously enjoyed being affected in any way by the change of nationality.

During the above period the operations of such companies shall not be subjected by Austria to any higher tax or charge than shall be imposed on the operations of national companies. No measure in derogation of their rights of property shall be imposed upon them which is not equally applied to the property, rights or interests of Austrian insurance companies: adequate compensation shall be paid in the event of the application of any such measures.

These provisions shall only apply so long as Austrian insurance companies previously carrying on business in the transferred territories, even if their principal place of business was outside such territories, are reciprocally accorded a similar right to carry on their business therein.

After the period of ten years above referred to, the provisions of Article 228 of the present Treaty shall apply in regard to the Allied and Associated companies in question.

ARTICLE 273.

Special agreements will determine the division of the property of associations or public corporations carrying on their functions in territory which is divided in consequence of the present Treaty.

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ARTICLE 274.

States to which territory of the former Austro-Hungarian Monarchy is transferred, and States arising from the dismemberment of that Monarchy, shall recognize and give effect to rights of industrial, literary and artistic property in force in the territory at the time when it passes to the State in question, or re-established or restored in accordance with the provisions of Article 258 of the present Treaty. These rights shall remain in force in that territory for the same period as that for which they would have remained in force under the law of the former Austro-Hungarian Monarchy.

A special convention shall determine all questions relative to the records, registers and copies in connection with the protection of industrial, literary or artistic property, and fix their eventual transmission or communication by the Offices of the former Austro-Hungarian Monarchy to the Offices of the States to which are transferred territory of the said Monarchy and to the Offices of new States.

ARTICLE 275.

Without prejudice to other provisions of the present Treaty, the Austrian Government undertakes so far as it is concerned to hand over to any Power to which territory of the former Austro-Hungarian Monarchy is transferred, or which arises from the dismemberment of that Monarchy, such portion of the reserves accumulated by the Governments or the administrations of the former Austro-Hungarian Monarchy, or by public or private organizations under their control, as is attributable to the carrying on of Social or State Insurance in such territory.

The Powers to which these funds are handed over must apply them to the performance of the obligations arising from such insurances.

The conditions of the delivery will be determined by special conventions to be concluded between the Austrian Government and the Governments concerned.

In case these special conventions are not concluded in accordance with the above paragraph within three months after the coming into force of the present Treaty, the conditions of transfer shall in each case be referred to a Commission of five members, one of whom shall be appointed by the Austrian Government, one by the other interested Government and three by the Governing Body of the International Labour Office from the nationals of other States. This Commission shall by majority vote within three months after appointment adopt recommendations for submission to the Council of the League of Nations, and the decisions of the Council shall forthwith be accepted as final by Austria and the other Government concerned.

PART XI.

AERIAL NAVIGATION.

ARTICLE 276.

The aircraft of the Allied and Associated Powers shall have full liberty of passage and landing over and in the territory of Austria and shall enjoy the same privileges as Austrian aircraft, particularly in case of distress.

ARTICLE 277.

The aircraft of the Allied and Associated Powers shall, while in transit to any foreign country whatever, enjoy the right of flying over the territory of Austria without landing, subject always to any regulations which may be made by Austria, and which shall be applicable equally to the aircraft of Austria and to those of the Allied and Associated countries.

ARTICLE 278.

All aerodromes in Austria open to national public traffic shall be open for the aircraft of the Allied and Associated Powers, and in any such aerodrome such aircraft shall be treated on a footing of equality with Austrian aircraft as regards charges of every description, including charges for landing and accommodation.

ARTICLE 279.

Subject to the present provisions, the rights of passage, transit and landing provided for in Articles 276, 277 and 278 are subject to the observance of such regulations as Austria may consider it necessary to enact, but such regulations shall be applied without distinction to Austrian aircraft and to those of the Allied and Associated countries.

ARTICLE 280.

Certificates of nationality, airworthiness, or competency and licenses issued or recognized as valid by any of the Allied or Associated Powers, shall be recognized in Austria as valid and as equivalent to the certificates and licenses issued by Austria.

ARTICLE 281.

As regards internal commercial air traffic, the aircraft of the Allied and Associated Powers shall enjoy in Austria most favoured nation treatment.

ARTICLE 282.

Austria undertakes to enforce the necessary measures to ensure that all Austrian aircraft flying over her territory shall comply with the Rules as to lights and signals, Rules of the Air and Rules for Air Traffic on and in the neighbourhood of aerodromes, which have been laid down in the Convention relative to Aerial Navigation concluded between the Allied and Associated Powers.

ARTICLE 283.

The obligations imposed by the preceding provisions shall remain in force until January 1, 1923, unless before that date Austria shall have been admitted into the League of Nations or shall have been authorized by consent of the Allied and Associated Powers to adhere to the Convention relative to Aerial Navigation concluded between those powers.

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PART XII.

PORTS, WATERWAYS AND RAILWAYS.

SECTION I.

General Provisions.

ARTICLE 284.

Austria undertakes to grant freedom of transit through her territories on the routes most convenient for international transit, either by rail, navigable waterway or canal, to persons, goods, vessels, carriages, wagons and mails coming from or going to the territories of any of the Allied and Associated Powers, whether continuous or not.

Such person, goods, vessels, carriages, wagons and mails shall not be subjected to any transit duty or to any undue delays or restriction, and shall be entitled in Austria to national treatment as regards charges, facilities and all other matters.

Goods in transit shall be exempt from all customs or other similar duties.

All charges imposed on transport in transit shall be reasonable, having regard to the conditions of the traffic. No charge, facility or restriction shall depend directly or indirectly on the ownership or on the nationality of the ship or other means of transport on which any part of the through journey has been, or is to be, accomplished.

ARTICLE 285.

Austria undertakes neither to impose nor to maintain any control over transmigration traffic through her territories beyond measures necessary to ensure that passengers are *bona fide* in transit; nor to allow any shipping company or any other private body, corporation or person interested in the traffic to take any part whatever in, or to exercise any direct or indirect influence over any administrative service that may be necessary for this purpose.

ARTICLE 286.

Austria undertakes to make no discrimination or preference, direct or indirect, in the duties, charges and prohibitions relating to importations into or exportations from her territories, or, subject to the special engagements contained in the present Treaty, in the charges and conditions of transport of goods or persons entering or leaving her territories based on the frontier crossed; or on the kind, ownership, or flag of the means of transport (including aircraft) employed; or on the original or immediate place of departure of the vessel, wagon or aircraft or other means of transport employed, or its ultimate or intermediate destination; or on the route of or places of transshipment on the journey; or on whether the goods are imported or exported directly through an Austrian port or indirectly through a foreign port; or on whether the goods are imported or exported by land or by air.

Austria particularly undertakes not to establish against the ports and vessels of any of the Allied and Associated Powers any surtax or any direct or indirect bounty

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for export or import by Austrian ports or ships, or by those of another Power, for example by means of combined tariffs. She further undertakes that persons or goods passing through a port or using a vessel of any of the Allied and Associated Powers shall not be subjected to any formality or delay whatever to which such persons or goods would not be subjected if they passed through an Austrian port or a port of any other Power, or used an Austrian vessel or a vessel of any other Power.

ARTICLE 287.

All necessary administrative and technical measures shall be taken to expedite, as much as possible, the transmission of goods across the Austrian frontiers and to ensure their forwarding and transport from such frontiers, irrespective of whether such goods are coming from or going to the territories of the Allied and Associated Powers or are in transit from or to those territories, under the same material conditions in such matters as rapidity of carriage and care *en route* as are enjoyed by other goods of the same kind carried on Austrian territory under similar conditions of transport.

In particular, the transport of perishable goods shall be promptly and regularly carried out, and the customs formalities shall be effected in such a way as to allow the goods to be carried straight through by trains which make connection.

ARTICLE 288.

The seaports of the Allied and Associated Powers are entitled to all favours and to all reduced tariffs granted on Austrian railways or navigable waterways for the benefit of any port of another Power.

ARTICLE 289.

Austria may not refuse to participate in the tariffs or combinations of tariffs intended to secure for ports of any of the Allied and Associated Powers advantages similar to those granted by Austria to the ports of any other Power.

SECTION II.

Navigation.

CHAPTER I.

FREEDOM OF NAVIGATION.

ARTICLE 290.

The nationals of any of the Allied and Associated Powers as well as their vessels and property shall enjoy in all Austrian ports and on the inland navigation routes of Austria the same treatment in all respects as Austrian nationals, vessels and property.

In particular the vessels of any one of the Allied or Associated Powers shall be entitled to transport goods of any description, and passengers, to or from any ports or places in Austrian territory to which Austrian vessels may have access, under conditions which shall not be more onerous than those applied in the case of national

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vessels; they shall be treated on a footing of equality with national vessels as regards port and harbour facilities and charges of every description, including facilities for stationing, loading and unloading, and duties and charges of tonnage, harbour, pilotage, lighthouse, quarantine, and all analogous duties and charges of whatsoever nature, levied in the name of or for the profit of the Government, public functionaries, private individuals, corporations or establishments of any kind.

In the event of Austria granting a preferential régime to any of the Allied or Associated Powers or to any other foreign Power, this régime shall be extended immediately and unconditionally to all the Allied and Associated Powers.

There shall be no impediment to the movement of persons or vessels other than those arising from prescriptions concerning customs, police, sanitation, emigration and immigration, and those relating to the import and export of prohibited goods. Such regulations must be reasonable and uniform and must not impede traffic unnecessarily.

CHAPTER 2.

CLAUSES RELATING TO THE DANUBE.

1. GENERAL CLAUSES RELATING TO RIVER SYSTEMS DECLARED INTERNATIONAL.

ARTICLE 291.

The following river is declared international: the Danube from Ulm; together with all navigable parts of this river system which naturally provide more than one State with access to the sea, with or without transshipment from one vessel to another, as well as the portion of the course of the Morava (March) and the Thaya (Theiss) forming the frontier between Czecho-Slovakia and Austria, and lateral canals and channels constructed either to duplicate or to improve naturally navigable sections of the specified river system or to connect two naturally navigable sections of the same river.

The same shall apply to the Rhine-Danube navigable waterway, should such a waterway be constructed, under the conditions laid down in Article 308.

Any part of the above-mentioned river system which is not included in the general definition may be declared international by an agreement between the riparian States.

ARTICLE 292.

On the waterways declared to be international in the preceding Article, the nationals, property and flags of all Powers shall be treated on a footing of perfect equality, no distinction being made, to the detriment of the nationals, property or flag of any Power, between them and the nationals, property or flag of the riparian State itself or of the most favoured nation.

ARTICLE 293.

Austrian vessels shall not be entitled to carry passengers or goods by regular services between the ports of any Allied or Associated Power, without special authority from such Power.

ARTICLE 294.

Where such charges are not precluded by any existing convention, charges varying on different sections of a river may be levied on vessels using the navigable channels or their approaches, provided that they are intended solely to cover equitably the cost of maintaining in a navigable condition, or of improving, the river and its approaches, or to meet expenditure incurred in the interests of navigation. The schedule of such charges shall be calculated on the basis of such expenditure and shall be posted up in the ports. These charges shall be levied in such manner as to render any detailed examination of cargoes unnecessary, except in cases of suspected fraud or contravention.

ARTICLE 295.

The transit of vessels, passengers and goods on these waterways shall be effected in accordance with the general conditions prescribed for transit in Section I above.

When the two banks of an international river are within the same State goods in transit may be placed under seal or in the custody of customs agents. When the river forms a frontier goods and passengers in transit shall be exempt from all customs formalities; the loading and unloading of goods, and the embarkation and disembarkation of passengers shall only take place in the ports specified by the riparian State.

ARTICLE 296.

No duties of any kind other than those provided for in this Part shall be levied along the course or at the mouth of these waterways.

This provision shall not prevent the fixing by the riparian State of customs, local octroi or consumption duties, or the creation of reasonable and uniform charges levied in the ports, in accordance with public tariffs, for the use of cranes, elevators, quays, warehouses and other similar constructions.

ARTICLE 297.

In default of any special organization for carrying out the works connected with the upkeep and improvement of the international portion of a navigable system, each riparian State shall be bound to take the necessary measures to remove any obstacle or danger to navigation and to ensure the maintenance of good conditions of navigation.

If a State neglects to comply with this obligation any riparian State, or any State represented on the International Commission, may appeal to the tribunal instituted for this purpose by the League of Nations.

ARTICLE 298.

The same procedure shall be followed in the case of a riparian State undertaking any works of a nature to impede navigation in the international section. The tribunal mentioned in the preceding Article shall be entitled to enforce the suspension or suppression of such works, making due allowance in its decisions for all rights in connection with irrigation, water-power, fisheries and other national interests, which, with the consent of all the riparian States or of all the States represented on the International Commission, shall be given priority over the requirements of navigation.

Appeal to the tribunal of the League of Nations does not require the suspension of the works.

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ARTICLE 299.

The régime set out in Articles 292 and 294 to 298 above shall be superseded by one to be laid down in a General Convention drawn up by the Allied and Associated Powers, and approved by the League of Nations, relating to the waterways recognized in such Convention as having an international character. This Convention shall apply in particular to the whole or part of the above-mentioned river system of the Danube, and such other parts of that river system as may be covered by a general definition.

Austria undertakes, in accordance with the provisions of Article 331, to adhere to the said General Convention.

ARTICLE 300.

Austria shall cede to the Allied and Associated Powers concerned, within a maximum period of three months from the date on which notification shall be given her, a proportion of the tugs and vessels remaining registered in the ports of the river system referred to in Article 291 after the deduction of those surrendered by way of restitution or reparation. Austria shall in the same way cede material of all kinds necessary to the Allied and Associated Powers concerned for the utilization of that river system.

The number of the tugs and boats, and the amount of the material so ceded, and their distribution, shall be determined by an arbitrator or arbitrators nominated by the United States of America, due regard being had to the legitimate needs of the parties concerned, and particularly to the shipping traffic during the five years preceding the war.

All craft so ceded shall be provided with their fittings and gear, shall be in a good state of repair and in condition to carry goods, and shall be selected from among those most recently built.

Wherever the cessions made under the present Article involve a change of ownership, the arbitrator or arbitrators shall determine the rights of the former owners as they stood on October 15, 1918, and the amount of the compensation to be paid to them, and shall also direct the manner in which such payment is to be effected in each case. If the arbitrator or arbitrators find that the whole or part of this sum will revert directly or indirectly to States from whom reparation is due, they shall decide the sum to be placed under this head to the credit of the said States.

As regards the Danube the arbitrator or arbitrators referred to in this Article will also decide all questions as to the permanent allocation and the conditions thereof of the vessels whose ownership or nationality is in dispute between States.

Pending final allocation the control of these vessels shall be vested in a Commission consisting of representatives of the United States of America, the British Empire, France and Italy, who will be empowered to make provisional arrangements for the working of these vessels in the general interest by any local organization, or failing such arrangements by themselves, without prejudice to the final allocation.

As far as possible these provisional arrangements will be on a commercial basis, the net receipts by the Commission for the hire of these vessels being disposed of as directed by the Reparation Commission.

2. SPECIAL CLAUSES RELATING TO THE DANUBE.

ARTICLE 301.

The European Commission of the Danube reassumes the powers it possessed before the war. Nevertheless, as a provisional measure, only representatives of Great Britain, France, Italy and Roumania shall constitute this Commission.

ARTICLE 302.

From the point where the competence of the European Commission ceases, the Danube system referred to in Article 291 shall be placed under the administration of an International Commission composed as follows:

- 2 representatives of German riparian States;
- 1 representative of each other riparian State;
- 1 representative of each non-riparian State represented in the future on the European Commission of the Danube.

If certain of these representatives cannot be appointed at the time of the coming into force of the present Treaty, the decisions of the Commission shall nevertheless be valid.

ARTICLE 303.

The International Commission provided for in the preceding Article shall meet as soon as possible after the coming into force of the present Treaty, and shall undertake provisionally the administration of the river in conformity with the provisions of Articles 292 and 294 to 298, until such time as a definite statute regarding the Danube is concluded by the Powers nominated by the Allied and Associated Powers.

The decisions of this International Commission shall be taken by a majority vote. The salaries of the Commissioners shall be fixed and paid by their respective countries.

As a provisional measure any deficit in the administrative expense of this International Commission shall be borne equally by the States represented on the Commission.

In particular this Commission shall regulate the licensing of pilots, charges for pilotage and the administration of the pilot service.

ARTICLE 304.

Austria agrees to accept the régime which shall be laid down for the Danube by a Conference of the Powers nominated by the Allied and Associated Powers, which shall meet within one year after the coming into force of the Present Treaty, and at which Austrian representatives may be present.

ARTICLE 305.

The mandate given by Article 57 of the Treaty of Berlin of July 13, 1878, to Austria-Hungary, and transferred by her to Hungary, to carry out works at the Iron Gates, is abrogated. The Commission entrusted with the administration of this part of the river shall lay down provisions for the settlement of accounts subject to the financial provisions of the present Treaty. Charges which may be necessary shall in no case be levied by Hungary.

ARTICLE 306.

Should the Czecho-Slovak State, the Serb-Croat-Slovene State, or Roumania, with the authorization of or under mandate from the International Commission, undertake maintenance, improvement, weir, or other works on a part of the river system which forms a frontier, these States shall enjoy on the opposite bank, and also on the part of the bed which is outside their territory, all necessary facilities for the survey, execution and maintenance of such works.

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ARTICLE 307.

Austria shall be obliged to make to the European Commission of the Danube all restitutions, reparations and indemnities for damages inflicted on the Commission during the war.

ARTICLE 308.

Should a deep-draught Rhine-Danube navigable waterway be constructed, Austria hereby undertakes to accept the application to the said navigable waterway of the same régime as that prescribed in Articles 292 and 294 to 299 of the present Treaty.

CHAPTER III.

HYDRAULIC SYSTEM.

ARTICLE 309.

In default of any provisions to the contrary, when as the result of the fixing of a new frontier the hydraulic system (canalization, inundations, irrigation, drainage or similar matters) in a State is dependent on works executed within the territory of another State, or when use is made on the territory of a State, in virtue of pre-war usage, of water or hydraulic power, the source of which is on the territory of another State, an agreement shall be made between the States concerned to safeguard the interests and rights acquired by each of them.

Failing an agreement, the matter shall be regulated by an arbitrator appointed by the Council of the League of Nations.

ARTICLE 310.

Unless otherwise provided, when use is made for municipal or domestic purposes in one State of electricity or water, the source of which as the result of the fixing of a new frontier is on the territory of another State, an agreement shall be made between the States concerned to safeguard the interests and rights acquired by each of them.

Pending an agreement, central electric stations and waterworks shall be required to continue the supply up to an amount corresponding to the undertakings and contracts in force on November 3, 1918.

Failing an agreement, the matter shall be regulated by an arbitrator appointed by the Council of the League of Nations.

SECTION III.

Railways.

CHAPTER I.

FREEDOM OF TRANSIT TO THE ADRIATIC FOR AUSTRIA.

ARTICLE 311.

Free access to the Adriatic Sea is accorded to Austria, who with this object will enjoy freedom of transit over the territories and in the ports severed from the former Austro-Hungarian Monarchy.

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Freedom of transit is the freedom defined in Article 284 until such time as a General Convention on the subject shall have been concluded between the Allied and Associated Powers, whereupon the disposition of the new Convention shall be substituted therefor.

Special conventions between the States or Administrations concerned will lay down the conditions of the exercise of the right accorded above, and will settle in particular the method of using the ports and the free zones existing in them, the establishment of international (joint) services and tariffs including through tickets and waybills, and the maintenance of the Convention of Berne of October 14, 1890, and its supplementary provisions until its replacement by a new Convention.

Freedom of transit will extend to postal, telegraphic and telephonic services.

CHAPTER 2.

CLAUSES RELATING TO INTERNATIONAL TRANSPORT.

ARTICLE 312.

Goods coming from the territories of the Allied and Associated Powers, and going to Austria, or in transit through Austria from or to the territories of the Allied and Associated Powers, shall enjoy on the Austrian railways as regards charges to be collected (rebates and drawbacks being taken into account), facilities, and all other matters, the most favourable treatment applied to goods of the same kind carried on any Austrian lines, either in internal traffic, or for export, import or in transit, under similar conditions of transport, for example as regards length of route. The same rule shall be applied, on the request of one or more of the Allied and Associated Powers, to goods specially designated by such Power or Powers coming from Austria and going to their territories.

International tariffs established in accordance with the rates referred to in the preceding paragraph and involving through way-bills shall be established when one of the Allied and Associated Powers shall require it from Austria.

However, without prejudice to the provisions of Articles 288 and 289, Austria undertakes to maintain on her own lines the régime of tariffs existing before the war as regards traffic to Adriatic and Black Sea ports, from the point of view of competition with North German ports.

ARTICLE 313.

From the coming into force of the present Treaty the High Contracting Parties shall renew, in so far as concerns them and under the reserves indicated in the second paragraph of the present Article, the Conventions and Arrangements signed at Berne on October 14, 1890, September 20, 1893, July 13, 1895, June 16, 1898, and September 19, 1906, regarding the transportation of goods by rail.

If within five years from the date of the coming into force of the present Treaty a new Convention for the transportation of passengers, luggage and goods by rail shall have been concluded to replace the Berne Convention of October 14, 1890, and the subsequent additions referred to above, this new Convention and the supplementary provisions for international transport by rail which may be based on it shall bind Austria, even if she shall have refused to take part in the preparation of the Convention or to subscribe to it. Until a new Convention shall have been concluded, Austria shall conform to the provisions of the Berne Convention and the subsequent additions referred to above, and to the current supplementary provisions.

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ARTICLE 314.

Austria shall be bound to co-operate in the establishment of through ticket services (for passengers and their luggage) which shall be required by any of the Allied and Associated Powers to ensure their communication by rail with each other and with all other countries by transit across the territories of Austria; in particular Austria shall, for this purpose, accept trains and carriages coming from the territories of the Allied and Associated Powers and shall forward them with a speed at least equal to that of her best long-distance trains on the same lines. The rates applicable to such through services shall not in any case be higher than the rates collected on Austrian internal services for the same distance, under the same conditions of speed and comfort.

The tariffs applicable under the same conditions of speed and comfort to the transportation of emigrants going to or coming from ports of the Allied and Associated Powers and using the Austrian railways, shall not be at a higher kilometric rate than the most favourable tariffs (drawbacks and rebates being taken into account) enjoyed on the said railways by emigrants going to or coming from any other ports.

ARTICLE 315.

Austria shall not apply specially to such through services, or to the transportation of emigrants going to or coming from the ports of the Allied and Associated Powers, any technical, fiscal or administrative measures, such as measures of customs examination, general police, sanitary police, and control, the result of which would be to impede or delay such services.

ARTICLE 316.

In case of transport partly by rail and partly by internal navigation, with or without through way-bill, the preceding Articles shall apply to the part of the journey performed by rail.

CHAPTER 3.

ROLLING-STOCK.

ARTICLE 317.

Austria undertakes that Austrian wagons shall be fitted with apparatus allowing:

(1) of their inclusion in goods trains on the lines of such of the Allied and Associated Powers as are parties to the Berne Convention of May 15, 1886, as modified on May 18, 1907, without hampering the action of the continuous brake which may be adopted in such countries within ten years of the coming into force of the present Treaty, and

(2) of the inclusion of wagons of such countries in all goods trains on Austrian lines.

The rolling-stock of the Allied and Associated Powers shall enjoy on the Austrian lines the same treatment as Austrian rolling-stock as regards movement, upkeep and repairs.

CHAPTER 4.

TRANSFERS OF RAILWAY LINES.

ARTICLE 318.

Subject to any special provisions concerning the transfer of ports, waterways and railways situated in the territories transferred under the present Treaty, and to the financial conditions relating to the concessionaires and the pensioning of the personnel, the transfer of railways will take place under the following conditions:—

(1) The works and installations of all the railroads shall be handed over complete and in good condition.

(2) When a railway system possessing its own rolling-stock is handed over in its entirety by Austria to one of the Allied and Associated Powers, such stock shall be handed over complete, in accordance with the last inventory before November 3, 1918, and in a normal state of upkeep.

(3) As regards lines without any special rolling-stock, the distribution of the stock existing on the system to which these lines belong shall be made by Commissions of experts designated by the Allied and Associated Powers, on which Austria shall be represented. These Commissions shall have regard to the amount of the material registered on these lines in the last inventory before November 3, 1918, the length of track (sidings included), and the nature and amount of the traffic. These Commissions shall also specify the locomotives, carriages and wagons to be handed over in each case; they shall decide upon the conditions of their acceptance, and shall make the provisional arrangements necessary to ensure their repair in Austrian workshops.

(4) Stocks of stores, fittings and plant shall be handed over under the same conditions as the rolling-stock.

The provisions of paragraphs 3 and 4 above shall be applied to the lines of former Russian Poland converted by the Austro-Hungarian authorities to the normal gauge, such lines being regarded as detached from the Austrian and Hungarian State systems.

CHAPTER 5.

PROVISIONS RELATING TO CERTAIN RAILWAY LINES.

ARTICLE 319.

When as a result of the fixing of new frontiers a railway connection between two parts of the same country crosses another country, or a branch line from one country has its terminus in another, the conditions of working, if not specifically provided for in the present Treaty, shall be laid down in a convention between the railway administrations concerned. If the administrations cannot come to an agreement as to the terms of such convention the points of difference shall be decided by commissions of experts composed as provided in the preceding Article.

The establishment of all the new frontier stations between Austria and the contiguous Allied and Associated States, as well as the working of the lines between those stations, shall be settled by agreements similarly concluded.

ARTICLE 320.

With the object of ensuring regular utilization of the railroads of the former Austro-Hungarian Monarchy owned by private companies which, as a result of the stipulations of the present Treaty, will be situated in the territory of several States,

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the administrative and technical reorganization of the said lines shall be regulated in each instance by an agreement between the owning company and the States territorially concerned.

Any differences on which agreement is not reached, including questions relating to the interpretation of contracts concerning the expropriation of the lines, shall be submitted to arbitrators designated by the Council of the League of Nations.

This arbitration may, as regards the South Austrian Railway Company, be required either by the Board of Management or by the Committee representing the bondholders.

ARTICLE 321.

Within a period of five years from the coming into force of the present Treaty, Italy may require the construction or improvement on Austrian territory of the new transalpine lines of the Col de Reschen and the Pas de Predil. Unless Austria decides to pay for the works herself, the cost of construction or improvement shall be paid by Italy. An arbitrator appointed by the Council of the League of Nations shall, after the lapse of such period as may be fixed by the Council, determine the portion of the cost of construction or improvement which must be repaid by Austria to Italy on account of the increase of revenue on the Austrian railway system resulting from these works.

Austria shall hand over to Italy gratuitously the surveys, with their annexes, for the construction of the following railway lines:—

- The line from Tarvis to Trieste by Raibl, Plezzo, Caporetto, Canale and Gorizia;
- The local line from S. Lucia de Tolmino to Caporetto;
- The line from Tarvis to Plezzo (new scheme);
- The Reschen line connecting Landeck and Mals.

ARTICLE 322.

In view of the importance to the Czecho-Slovak State of free communication between that State and the Adriatic, Austria recognizes the right of the Czecho-Slovak State to run its own trains over the sections included within her territory of the following lines:—

- (1) from Bratislava (Pressburg) towards Fiume via Sopron, Szembathely and Mura Keresztur, and a branch from Mura Keresztur to Praberhof;
- (2) from Budejovic (Budweiss) towards Trieste via Linz, S. Michael, Klagenfurt, and Assling, and the branch from Klagenfurt towards Tarvisio.

On the application of either party, the route to be followed by the Czecho-Slovak trains may be modified either permanently or temporarily by mutual agreement between the Czecho-Slovak Railway Administration and those of the railways over which the running powers are exercised.

ARTICLE 323.

The trains for which the running powers are used shall not engage in local traffic, except by agreement between Austria and the Czecho-Slovak State.

Such running powers will include, in particular, the right to establish running sheds with small shops for minor repairs to locomotives and rolling-stock, and to appoint representatives where necessary to supervise the working of the Czecho-Slovak trains.

ARTICLE 324.

The technical, administrative and financial conditions under which the rights of the Czecho-Slovak State shall be exercised shall be laid down in a Convention between the railway administration of the Czecho-Slovak State and the railway administrations of the Austrian systems concerned. If the Administrations cannot come to an agreement on the terms of this Convention, the points of difference shall be decided by an arbitrator nominated by Great Britain, and his decisions shall be binding on all parties.

In the event of disagreement as to the interpretation of the Convention or of difficulties arising unprovided for in the Convention, the same form of arbitration will be adopted until such time as the League of Nations may lay down some other procedure.

CHAPTER 6.

TRANSITORY PROVISION.

ARTICLE 325.

Austria shall carry out the instructions given her, in regard to transport, by an authorized body acting on behalf of the Allied and Associated Powers:—

(1) for the carriage of troops under the provisions of the present Treaty, and of material, ammunition and supplies for army use;

(2) as a temporary measure, for the transportation of supplies for certain regions, as well as for the restoration, as rapidly as possible, of the normal conditions of transport, and for the organization of postal and telegraphic services.

CHAPTER 7.

TELEGRAPHS AND TELEPHONES.

ARTICLE 326.

Notwithstanding any contrary stipulations in existing treaties, Austria undertakes to grant freedom of transit for telegraphic correspondence and telephonic communications coming from or going to any one of the Allied or Associated Powers, whether neighbours or not, over such lines as may be suitable for international transit and in accordance with the tariffs in force. This correspondence and these communications shall be subjected to no unnecessary delay or restriction; they shall enjoy in Austria national treatment in regard to every kind of facility and especially in regard to rapidity of transmission. No payment, facility or restriction shall depend directly or indirectly on the nationality of the transmitter or the addressee.

ARTICLE 327.

In view of the geographical situation of the Czecho-Slovak State Austria agrees to the following modifications in the International Telegraph and Telephone Conventions referred to in Article 235, Part X (Economic Clauses), of the present Treaty:—

(1) On the demand of the Czecho-Slovak State Austria shall provide and maintain trunk telegraph lines across Austrian territory.

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(2) The annual rent to be paid by the Czecho-Slovak State for each of such lines will be calculated in accordance with the provisions of the above-mentioned Conventions, but unless otherwise agreed shall not be less than the sum that would be payable under those Conventions for the number of messages laid down in those Conventions as conferring the right to demand a new trunk line, taking as a basis the reduced tariff provided for in Article 23, paragraph 5, of the International Telegraph Convention as revised at Lisbon.

(3) So long as the Czecho-Slovak State shall pay the above minimum annual rent of a trunk line;

(a) the line shall be reserved exclusively for transit traffic to and from the Czecho-Slovak State;

(b) the faculty given to Austria by Article 8 of the International Telegraph Convention of July 22, 1875, to suspend international telegraph services shall not apply to that line.

(4) Similar provisions will apply to the provision and maintenance of trunk telephone circuits, but the rent payable by the Czecho-Slovak State for a trunk telephone circuit shall, unless otherwise agreed, be double the rent payable for a trunk telegraph line.

(5) The particular lines to be provided together with any necessary administrative, technical and financial conditions not provided for in existing International Conventions or in this Article shall be fixed by a further convention between the States concerned. In default of agreement on such convention they will be fixed by an arbitrator appointed by the Council of the League of Nations.

(6) The stipulations of the present Article may be varied at any time by agreement between Austria and the Czecho-Slovak State. After the expiration of ten years from the coming into force of the present Treaty the conditions under which the Czecho-Slovak State shall enjoy the rights conferred by this Article may, in default of agreement by the parties, be modified at the request of either party by an arbitrator designated by the Council of the League of Nations.

(7) In case of any dispute between the parties as to the interpretation either of this Article or of the convention referred to in paragraph 5, this dispute shall be submitted for decision to the Permanent Court of International Justice to be established by the League of Nations.

SECTION IV.

Disputes and Revision of Permanent Clauses.

ARTICLE 328.

Disputes which may arise between interested Powers with regard to the interpretation and application of this Part of the present Treaty shall be settled as provided by the League of Nations.

ARTICLE 329.

At any time the League of Nations may recommend the revision of such of the above Articles as relate to a permanent administrative régime.

ARTICLE 330.

The stipulations in Articles 284 to 290, 293, 312, 314 to 316, and 326 shall be subject to revision by the Council of the League of Nations at any time after three years from the coming into force of the present Treaty.

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Failing such revision, no Allied or Associated Power can claim after the expiration of the above period of three years the benefit of any of the stipulations in the Articles enumerated above on behalf of any portion of its territories in which reciprocity is not accorded in respect of such stipulations. The period of three years during which reciprocity cannot be demanded may be prolonged by the Council of the League of Nations.

The benefit of the stipulations mentioned above cannot be claimed by States to which territory of the former Austro-Hungarian Monarchy has been transferred, or which have arisen out of the dismemberment of that Monarchy, except upon the footing of giving in the territory passing under their sovereignty in virtue of the present Treaty reciprocal treatment to Austria.

SECTION V.

Special Provision.

ARTICLE 331.

Without prejudice to the special obligations imposed on her by the present Treaty for the benefit of the Allied and Associated Powers, Austria undertakes to adhere to any General Conventions regarding the international régime of transit, waterways, ports or railways which may be concluded by the Allied and Associated Powers, with the approval of the League of Nations, within five years from the coming into force of the present Treaty.

PART XIII.

LABOUR.

SECTION I.

Organization of Labour.

Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice;

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required: as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organization of vocational and technical education and other measures;

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the work of other nations which desire to improve the conditions in their own countries;

The High Contracting Parties, moved by sentiments of justice and humanity as well as by the desire to secure the permanent peace of the world, agree to the following:—

CHAPTER I.

ORGANIZATION.

ARTICLE 332.

A permanent organization is hereby established for the promotion of the objects set forth in the Preamble.

The original Members of the League of Nations shall be the original Members of this organization, and hereafter membership of the League of Nations shall carry with it membership of the said organization.

ARTICLE 333.

The permanent organization shall consist of:—

- (1) a General Conference of Representatives of the Members, and
- (2) an International Labour Office controlled by the Governing Body described in Article 338.

ARTICLE 334.

The meetings of the General Conference of Representatives of the Members shall be held from time to time as occasion may require, and at least once in every year. It shall be composed of four Representatives of each of the Members, of whom two shall be Government Delegates and the two others shall be Delegates representing respectively the employers and the workpeople of each of the Members.

Each Delegate may be accompanied by advisers, who shall not exceed two in number for each item on the agenda of the meeting. When questions specially affecting women are to be considered by the Conference, one at least of the advisers should be a woman.

The Members undertake to nominate non-Government Delegates and advisers chosen in agreement with the industrial organizations, if such organizations exist, which are most representative of employers or workpeople, as the case may be, in their respective countries.

Advisers shall not speak except on a request made by the Delegate whom they accompany and by the special authorization of the President of the Conference, and may not vote.

A Delegate may by notice in writing addressed to the President appoint one of his advisers to act as his deputy, and the adviser, while so acting, shall be allowed to speak and vote.

The names of the Delegates and their advisers will be communicated to the International Labour Office by the Government of each of the Members.

The credentials of Delegates and their advisers shall be subject to scrutiny by the Conference, which may, by two-thirds of the votes cast by the Delegates present, refuse to admit any Delegate or adviser whom it deems not to have been nominated in accordance with this Article.

ARTICLE 335.

Every Delegate shall be entitled to vote individually on all matters which are taken into consideration by the Conference.

If one of the Members fails to nominate one of the non-Government Delegates whom it is entitled to nominate, the other non-Government Delegate shall be allowed to sit and speak at the Conference, but not to vote.

If in accordance with Article 334 the Conference refuses admission to a Delegate of one of the Members, the provisions of the present Article shall apply as if that Delegate had not been nominated.

ARTICLE 336.

The meetings of the Conference shall be held at the seat of the League of Nations, or at such other place as may be decided by the Conference at a previous meeting by two-thirds of the votes cast by the Delegates present.

ARTICLE 337.

The International Labour Office shall be established at the seat of the League of Nations as part of the organization of the League.

ARTICLE 338.

The International Labour Office shall be under the control of a Governing Body consisting of twenty-four persons, appointed in accordance with the following provisions:

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The Governing Body of the International Labour Office shall be constituted as follows:

Twelve persons representing the Governments;

Six persons elected by the Delegates to the Conference representing the employers;

Six persons elected by the Delegates to the Conference representing the workers.

Of the twelve persons representing the Governments eight shall be nominated by the Members which are of the chief industrial importance, and four shall be nominated by the Members selected for the purpose by the Government Delegates to the Conference, excluding the Delegates of the eight Members mentioned above.

Any question as to which are the Members of the chief industrial importance shall be decided by the Council of the League of Nations.

The period of office of the Members of the Governing Body will be three years. The method of filling vacancies and other similar questions may be determined by the Governing Body subject to the approval of the Conference.

The Governing Body shall, from time to time, elect one of its members to act as its Chairman, shall regulate its own procedure and shall fix its own times of meeting. A special meeting shall be held if a written request to that effect is made by at least ten members of the Governing Body.

ARTICLE 339.

There shall be a Director of the International Labour Office, who shall be appointed by the Governing Body, and, subject to the instructions of the Governing Body, shall be responsible for the efficient conduct of the International Labour Office and for such other duties as may be assigned to him.

The Director or his deputy shall attend all meetings of the Governing Body.

ARTICLE 340.

The staff of the International Labour Office shall be appointed by the Director, who shall, so far as is possible with due regard to the efficiency of the work of the Office, select persons of different nationalities. A certain number of these persons shall be women.

ARTICLE 341.

The functions of the International Labour Office shall include the collection and distribution of information on all subjects relating to the international adjustment of conditions of industrial life and labour, and particularly the examination of subjects which it is proposed to bring before the Conference with a view to the conclusion of international conventions, and the conduct of such special investigations as may be ordered by the Conference.

It will prepare the agenda for the meetings of the Conference.

It will carry out the duties required of it by the provisions of this Part of the present Treaty in connection with international disputes.

It will edit and publish in French and English, and in such other languages as the Governing Body may think desirable, a periodical paper dealing with problems of industry and employment of international interest.

Generally, in addition to the functions set out in this Article, it shall have such other powers and duties as may be assigned to it by the Conference.

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ARTICLE 342.

The Government Departments of any of the Members which deal with questions of industry and employment may communicate directly with the Director through the Representative of their Government on the Governing Body of the International Labour Office, or failing any such Representative, through such other qualified official as the Government may nominate for the purpose.

ARTICLE 343.

The International Labour Office shall be entitled to the assistance of the Secretary-General of the League of Nations in any matter in which it can be given.

ARTICLE 344.

Each of the Members will pay the travelling and subsistence expenses of its Delegates and their advisers and of its Representatives attending the meetings of the Conference or Governing Body, as the case may be.

All the other expenses of the International Labour Office and of the meetings of the Conference or Governing Body shall be paid to the Director by the Secretary-General of the League of Nations out of the general funds of the League.

The Director shall be responsible to the Secretary-General of the League for the proper expenditure of all moneys paid to him in pursuance of this Article.

CHAPTER II.

PROCEDURE.

ARTICLE 345.

The agenda for all meetings of the Conference will be settled by the Governing Body, who shall consider any suggestion as to the agenda that may be made by the Government of any of the Members or by any representative organization recognized for the purpose of Article 334.

ARTICLE 346.

The Director shall act as the Secretary of the Conference, and shall transmit the agenda so as to reach the Members four months before the meeting of the Conference, and, through them, the non-Government Delegates when appointed.

ARTICLE 347.

Any of the Governments of the Members may formally object to the inclusion of any item or items in the agenda. The grounds for such objection shall be set forth in a reasoned statement addressed to the Director, who shall circulate it to all the Members of the Permanent Organization.

Items to which such objection has been made shall not, however, be excluded from the agenda, if at the Conference a majority of two-thirds of the votes cast by the Delegates present is in favour of considering them.

If the Conference decides (otherwise than under the preceding paragraph) by two-thirds of the votes cast by the Delegates present that any subject shall be considered by the Conference, that subject shall be included in the agenda for the following meeting.

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ARTICLE 348.

The Conference shall regulate its own procedure, shall elect its own President, and may appoint committees to consider and report on any matter.

Except as otherwise expressly provided in this Part of the present Treaty, all matters shall be decided by a simple majority of the votes cast by the Delegates present.

The voting is void unless the total number of votes cast is equal to half the number of the Delegates attending the Conference.

ARTICLE 349.

The Conference may add to any committees which it appoints technical experts, who shall be assessors without power to vote.

ARTICLE 350.

When the Conference has decided on the adoption of proposals with regard to an item in the agenda, it will rest with the Conference to determine whether these proposals should take the form: (a) of a recommendation to be submitted to the Members for consideration with a view to effect being given to it by national legislation or otherwise, or (b) of a draft international convention for ratification by the Members.

In either case a majority of two-thirds of the votes cast by the Delegates present shall be necessary on the final vote for the adoption of the recommendation or draft convention, as the case may be, by the Conference.

In framing any recommendation or draft convention of general application the Conference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organization or other special circumstances make the industrial conditions substantially different and shall suggest the modifications, if any, which it considers may be required to meet the case of such countries.

A copy of the recommendation or draft convention shall be authenticated by the signature of the President of the Conference and of the Director and shall be deposited with the Secretary-General of the League of Nations. The Secretary-General will communicate a certified copy of the recommendation or draft convention to each of the Members.

Each of the Members undertakes that it will, within the period of one year at most from the closing of the session of the Conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months from the closing of the session of the Conference, bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

In the case of a recommendation, the Members will inform the Secretary-General of the action taken.

In the case of a draft convention, the Member will, if it obtains the consent of the authority or authorities within whose competence the matter lies, communicate the formal ratification of the convention to the Secretary-General and will take such action as may be necessary to make effective the provisions of such convention.

If on a recommendation no legislative or other action is taken to make a recommendation effective, or if the draft convention fails to obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the Member.

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In the case of a federal State, the power of which to enter into conventions on labour matters is subject to limitations, it shall be in the discretion of that Government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this Article with respect to recommendations shall apply in such case.

The above article shall be interpreted in accordance with the following principle:

In no case shall any Member be asked or required, as a result of the adoption of any recommendation or draft convention by the Conference, to lessen the protection afforded by its existing legislation to the workers concerned.

ARTICLE 351.

Any convention so ratified shall be registered by the Secretary-General of the League of Nations, but shall only be binding upon the Members which ratify it.

ARTICLE 352.

If any convention coming before the Conference for final consideration fails to secure the support of two-thirds of the votes cast by the Delegates present, it shall nevertheless be within the right of any of the Members of the Permanent Organization to agree to such convention among themselves.

Any convention so agreed to shall be communicated by the Government concerned to the Secretary-General of the League of Nations, who shall register it.

ARTICLE 353.

Each of the Members agrees to make an annual report to the International Labour Office on the measures which it has taken to give effect to the provisions of conventions to which it is a party. These reports shall be made in such form and shall contain such particulars as the Governing Body may request. The Director shall lay a summary of these reports before the next meeting of the Conference.

ARTICLE 354.

In the event of any representation being made to the International Labour Office by an industrial association of employers or of workers that any of the Members has failed to secure in any respect the effective observance within its jurisdiction of any convention to which it is a party, the Governing Body may communicate this representation to the Government against which it is made and may invite that Government to make such statement on the subject as it may think fit.

ARTICLE 355.

If no statement is received within a reasonable time from the Government in question, or if the statement when received is not deemed to be satisfactory by the Governing Body, the latter shall have the right to publish the representation and the statement, if any, made in reply to it.

ARTICLE 356.

Any of the Members shall have the right to file a complaint with the International Labour Office if it is not satisfied that any other Member is securing the effective observance of any convention which both have ratified in accordance with the foregoing Articles.

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The Governing Body may, if it thinks fit, before referring such a complaint to a Commission of Inquiry, as hereinafter provided for, communicate with the Government in question in the manner described in Article 354.

If the Governing Body does not think it necessary to communicate the complaint to the Government in question, or if, when they have made such communication, no statement in reply has been received within a reasonable time which the Governing Body considers to be satisfactory, the Governing Body may apply for the appointment of a Commission of Inquiry to consider the complaint and to report thereon.

The Governing Body may adopt the same procedure either of its own motion or on receipt of a complaint from a Delegate to the Conference.

When any matter arising out of Articles 355 or 356 is being considered by the Governing Body, the Government in question shall, if not already represented thereon, be entitled to send a representative to take part in the proceedings of the Governing Body while the matter is under consideration. Adequate notice of the date on which the matter will be considered shall be given to the Government in question.

ARTICLE 357.

The Commission of Inquiry shall be constituted in accordance with the following provisions:

Each of the Members agrees to nominate within six months of the date on which the present Treaty comes into force three persons of industrial experience, of whom one shall be a representative of employers, one a representative of workers, and one a person of independent standing, who shall together form a panel from which the Members of the Commission of Inquiry shall be drawn.

The qualifications of the persons so nominated shall be subject to scrutiny by the Governing Body, which may by two-thirds of the votes cast by the representatives present refuse to accept the nomination of any person whose qualifications do not in its opinion comply with the requirements of the present Article.

Upon the application of the Governing Body, the Secretary-General of the League of Nations shall nominate three persons, one from each section of this panel, to constitute the Commission of Inquiry, and shall designate one of them as the President of the Commission. None of these three persons shall be a person nominated to the panel by any Member directly concerned in the complaint.

ARTICLE 358.

The Members agree that, in the event of the reference of a complaint to a Commission of Inquiry under Article 356, they will each, whether directly concerned in the complaint or not, place at the disposal of the Commission all the information in their possession which bears upon the subject-matter of the complaint.

ARTICLE 359.

When the Commission of Inquiry has fully considered the complaint, it shall prepare a report embodying its findings on all questions of fact relevant to determining the issue between the parties and containing such recommendations as it may think proper as to the steps which should be taken to meet the complaint and the time within which they should be taken.

It shall also indicate in this report the measures, if any, of an economic character against a defaulting Government which it considers to be appropriate, and which it considers other Governments would be justified in adopting.

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ARTICLE 360.

The Secretary-General of the League of Nations shall communicate the report of the Commission of Inquiry to each of the Governments concerned in the complaint, and shall cause it to be published.

Each of these Governments shall within one month inform the Secretary-General of the League of Nations whether or not it accepts the recommendations contained in the report of the Commission; and if not, whether it proposes to refer the complaint to the Permanent Court of International Justice of the League of Nations.

ARTICLE 361.

In the event of any Member failing to take the action required by Article 350, with regard to a recommendation or draft Convention, any other Member shall be entitled to refer the matter to the Permanent Court of International Justice.

ARTICLE 362.

The decision of the Permanent Court of International Justice in regard to a complaint or matter which has been referred to it in pursuance of Article 360 or Article 361 shall be final.

ARTICLE 363.

The Permanent Court of International Justice may affirm, vary or reverse any of the findings or recommendations of the Commission of Inquiry, if any, and shall in its decision indicate the measures, if any, of an economic character which it considers to be appropriate, and which other Governments would be justified in adopting against a defaulting Government.

ARTICLE 364.

In the event of any Member failing to carry out within the time specified the recommendations, if any, contained in the report of the Commission of Inquiry, or in the decision of the Permanent Court of International Justice, as the case may be, any other Member may take against the Member the measures of an economic character indicated in the report of the Commission or in the decision of the Court as appropriate to the case.

ARTICLE 365.

The defaulting Government may at any time inform the Governing Body that it has taken the steps necessary to comply with the recommendations of the Commission of Inquiry or with those in the decision of the Permanent Court of International Justice, as the case may be, and may request it to apply to the Secretary-General of the League to constitute a Commission of Inquiry to verify its contention. In this case the provisions of Articles 357, 358, 359, 360, 362 and 363 shall apply, and if the report of the Commission of Inquiry or the decision of the Permanent Court of International Justice is in favour of the defaulting Government, the other Governments shall forthwith discontinue the measure of an economic character that they have taken against the defaulting Government.

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CHAPTER III.

GENERAL.

ARTICLE 366.

The Members engage to apply conventions which they have ratified in accordance with the provisions of this Part of the Present Treaty to their colonies, protectorates and possessions which are not fully self-governing:

(1) except where owing to the local conditions the convention is inapplicable, or

(2) subject to such modifications as may be necessary to adapt the convention to local conditions.

And each of the Members shall notify to the International Labour Office the action taken in respect of each of its colonies, protectorates and possessions which are not fully self-governing.

ARTICLE 367.

Amendments to this Part of the present Treaty which are adopted by the Conference by a majority of two-thirds of the votes cast by the Delegates present shall take effect when ratified by the States whose representatives compose the Council of the League of Nations and by three-fourths of the Members.

ARTICLE 368.

Any question or dispute relating to the interpretation of this Part of the present Treaty or of any subsequent convention concluded by the Members in pursuance of the provisions of this Part of the present Treaty shall be referred for decision to the Permanent Court of International Justice.

CHAPTER IV.

TRANSITORY PROVISIONS.

ARTICLE 369.

The first meeting of the Conference shall take place in October, 1919. The place and agenda for this meeting shall be as specified in the Annex hereto.

Arrangements for the convening and the organization of the first meeting of the Conference will be made by the Government designated for the purpose in the said Annex. That Government shall be assisted in the preparation of the documents for submission to the Conference by an International Committee constituted as provided in the said Annex.

The expenses of the first meeting and of all subsequent meetings held before the League of Nations has been able to establish a general fund, other than the expenses of Delegates and their advisers, will be borne by the Members in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union.

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ARTICLE 370.

Until the League of Nations has been constituted all communications which under the provisions of the foregoing Articles should be addressed to the Secretary-General of the League will be preserved by the Director of the International Labour Office, who will transmit them to the Secretary-General of the League.

ARTICLE 371.

Pending the creation of a Permanent Court of International Justice, disputes which in accordance with this Part of the present Treaty would be submitted to it for decision will be referred to a tribunal of three persons appointed by the Council of the League of Nations.

ANNEX.

FIRST MEETING OF ANNUAL LABOUR CONFERENCE, 1919.

The place of meeting will be Washington.

The Government of the United States of America is requested to convene the Conference.

The International Organizing Committee will consist of seven Members, appointed by the United States of America, Great Britain, France, Italy, Japan, Belgium and Switzerland. The Committee may, if it thinks necessary, invite other Members to appoint representatives.

Agenda:

- (1) Application of principle of the 8-hour day or the 48-hour week.
- (2) Question of preventing or providing against unemployment.
- (3) Women's employment:
 - (a) Before and after child-birth, including the question of maternity benefit;
 - (b) During the night;
 - (c) In unhealthy processes.
- (4) Employment of children:
 - (a) Minimum age of employment;
 - (b) During the night;
 - (c) In unhealthy processes.
- (5) Extension and application of the International Conventions adopted at Berne in 1906 on the prohibition of night work for women employed in industry and the prohibition of the use of white phosphorus in the manufacture of matches.

SECTION II.

General Principles.

ARTICLE 372.

The High Contracting Parties, recognizing that the well-being, physical, moral and intellectual, of industrial wage-earners is of supreme international importance, have framed, in order to further this great end, the permanent machinery provided for in Section I and associated with that of the League of Nations.

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They recognize that difference of climate, habits and customs, of economic opportunity and industrial tradition, make strict uniformity in the conditions of labour difficult of immediate attainment. But, holding as they do, that labour should not be regarded merely as an article of commerce, they think that there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

Among these methods and principles, the following seem to the High Contracting Parties to be of special and urgent importance:

First.—The guiding principle above enunciated that labour should not be regarded merely as a commodity or article of commerce.

Second.—The right of association for all lawful purposes by the employed as well as by the employers.

Third.—The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.

Fourth.—The adoption of an eight-hour day or a forty-eight hour week as the standard to be aimed at where it has not already been attained.

Fifth.—The adoption of a weekly rest of at least twenty-four hours, which should include Sunday wherever practicable.

Sixth.—The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.

Seventh.—The principle that men and women should receive equal remuneration for work of equal value.

Eighth.—The standard set by law in each country with respect to the conditions of labour should have due regard to the equitable economic treatment of all workers lawfully resident therein.

Ninth.—Each State should make provision for a system of inspection in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the employed.

Without claiming that these methods and principles are either complete or final, the High Contracting Parties are of opinion that they are well fitted to guide the policy of the League of Nations; and that, if adopted by the industrial communities who are members of the League, and safeguarded in practice by an adequate system of such inspection, they will confer lasting benefits upon the wage-earners of the world.

PART XIV.

MISCELLANEOUS PROVISIONS.

ARTICLE 373.

Austria undertakes to recognize and to accept the conventions made or to be made by the Allied and Associated Powers or any of them with any other Power as to the traffic in arms and in spirituous liquors, and also as to the other subjects dealt with in the General Acts of Berlin of February 26, 1885, and of Brussels of July 2, 1890, and the conventions completing or modifying the same.

ARTICLE 374.

The High Contracting Parties declare and place on record that they have taken note of the Treaty signed by the Government of the French Republic on July 17, 1918, with His Serene Highness the Prince of Monaco defining the relations between France and the Principality.

ARTICLE 375.

The High Contracting Parties, while they recognize the guarantees stipulated by the Treaties of 1815, and especially by the Act of November 20, 1815, in favour of Switzerland, the said guarantees constituting international obligations for the maintenance of peace, declare nevertheless that the provisions of these treaties, conventions, declarations and other supplementary Acts concerning the neutralized zone of Savoy, as laid down in paragraph 1 of Article 92 of the Final Act of the Congress of Vienna, and in paragraph 2 of Article 3 of the Treaty of Paris of November 20, 1815, are no longer consistent with present conditions. For this reason the High Contracting Parties take note of the agreement reached between the French Government and the Swiss Government for the abrogation of the stipulations relating to this zone which are and remain abrogated.

The High Contracting Parties also agree that the stipulations of the Treaties of 1815 and of the other supplementary Acts concerning the free zones of Upper Savoy and the Gex district are no longer consistent with present conditions, and that it is for France and Switzerland to come to an agreement together with a view to settling between themselves the status of these territories under such conditions as shall be considered suitable by both countries.

ANNEX.

I.

The Swiss Federal Council has informed the French Government on May 5, 1919, that after examining the provisions of Article 435 of the Peace conditions presented to Germany by the Allied and Associated Powers in a like spirit of sincere friendship it has happily reached the conclusion that it was possible to acquiesce in it under the following conditions and reservations:—

- (1) The neutralized zone of Haute-Savoie:

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(a) It will be understood that as long as the Federal Chambers have not ratified the agreement come to between the two Governments concerning the abrogation of the stipulations in respect of the neutralized zone of Savoy, nothing will be definitely settled, on one side or the other, in regard to this subject.

(b) The assent given by the Swiss Government to the abrogation of the above-mentioned stipulations presupposes, in conformity with the text adopted, the recognition of the guarantees formulated in favour of Switzerland by the Treaties of 1815 and particularly by the Declaration of November 20, 1815.

(c) The agreement between the Governments of France and Switzerland for the abrogation of the above-mentioned stipulations will only be considered as valid if the Treaty of Peace contains this Article in its present wording. In addition the Parties to the Treaty of Peace should endeavour to obtain the assent of the signatory Powers of the Treaties of 1815 and of the Declaration of November 20, 1815, which are not signatories of the present Treaty of Peace.

(2) Free zone of Haute-Savoie and the district of Gex:

(a) The Federal Council makes the most express reservations to the interpretation to be given to the statement mentioned in the last paragraph of the above Article for insertion in the Treaty of Peace, which provides that "the stipulations of the Treaties of 1815 and other supplementary acts concerning the free zones of Haute-Savoie and the Gex district are no longer consistent with present conditions." The Federal Council would not wish that its acceptance of the above wording should lead to the conclusion that it would agree to the suppression of a system intended to give neighbouring territory the benefit of a special régime which is appropriate to the geographical and economical situation and which has been well tested.

In the opinion of the Federal Council the question is not the modification of the customs system of the zones as set up by the Treaties mentioned above, but only the regulation in a manner more appropriate to the economic conditions of the present day of the terms of the exchange of goods between the regions in question. The Federal Council has been led to make the preceding observations by the perusal of the draft Convention concerning the future constitution of the zones which was annexed to the note of April 26 from the French Government. While making the above reservations the Federal Council declares its readiness to examine in the most friendly spirit any proposals which the French Government may deem it convenient to make on the subject.

(b) It is conceded that the stipulations of the Treaties of 1815 and other supplementary acts relative to the free zones will remain in force until a new arrangement is come to between France and Switzerland to regulate matters in this territory.

II.

The French Government have addressed to the Swiss Government, on May 18, 1919, the following note in reply to the communication set out in the preceding paragraph:—

In a note dated May 5 the Swiss Legation in Paris was good enough to inform the Government of the French Republic that the Federal Government adhered to the proposed Article to be inserted in the Treaty of Peace between the Allied and Associated Governments and Germany.

The French Government have taken note with much pleasure of the agreement thus reached, and, at their request, the proposed Article, which had been accepted by the Allied and Associated Governments, has been inserted under No. 435 in the Peace conditions presented to the German Plenipotentiaries.

The Swiss Government, in their note of May 5 on this subject, have expressed various views and reservations,

Concerning the observations relating to the free zones of Haute-Savoie and the Gex district, the French Government have the honour to observe that the provisions of the last paragraph of Article 435 are so clear that their purport cannot be misapprehended, especially where it implies that no other Power but France and Switzerland will in future be interested in that question.

The French Government, on their part, are anxious to protect the interests of the French territories concerned, and, with that object, having their special situation in view, they bear in mind the desirability of assuring them a suitable customs régime and determining, in a manner better suited to present conditions, the methods of exchanges between these territories and the adjacent Swiss territories, while taking into account the reciprocal interests of both regions.

It is understood that this must in no way prejudice the right of France to adjust her customs line in this region in conformity with her political frontier, as is done on the other portions of her territorial boundaries, and as was done by Switzerland long ago on her own boundaries in this region.

The French Government are pleased to note on this subject in what a friendly disposition the Swiss Government take this opportunity of declaring their willingness to consider any French proposal dealing with the system to be substituted for the present régime of the said free zones, which the French Government intend to formulate in the same friendly spirit.

Moreover, the French Government have no doubt that the provisional maintenance of the régime of 1815 as to the free zones referred to in the above-mentioned paragraph of the note from the Swiss Legation of May 5, whose object is to provide for the passage from the present régime to the conventional régime, will cause no delay whatsoever in the establishment of the new situation which has been found necessary by the two Governments. This remark applies also to the ratification by the Federal Chambers, dealt with in paragraph 1 (*a*), of the Swiss note of May 5, under the heading "Neutralized zone of Haute-Savoie."

ARTICLE 376.

The Allied and Associated Powers agree that where Christian religious missions were being maintained by Austrian societies or persons in territory belonging to them, or of which the government is entrusted to them in accordance with the present Treaty, the property which these missions or missionary societies possessed, including that of trading societies whose profits were devoted to the support of missions, shall continue to be devoted to missionary purposes. In order to ensure the due execution of this undertaking the Allied and Associated Governments will hand over such property to boards of trustees appointed by or approved by the Governments and composed of persons holding the faith of the Mission whose property is involved.

The Allied and Associated Governments, while continuing to maintain full control as to the individuals by whom the Missions are conducted, will safeguard the interests of such Missions.

Austria, taking note of the above undertaking, agrees to accept all arrangements made or to be made by the Allied or Associated Government concerned for carrying on the work of the said missions or trading societies and waives all claims on their behalf.

ARTICLE 377.

Without prejudice to the provisions of the present Treaty, Austria undertakes not to put forward directly or indirectly against any Allied or Associated Power, signatory of the present Treaty, any pecuniary claim based on events which occurred at any time before the coming into force of the present Treaty.

The present stipulation will bar completely and finally all claims of this nature, which will be thenceforward extinguished, whoever may be the parties in interest.

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ARTICLE 378.

Austria accepts and recognizes as valid and binding all decrees and orders concerning Austro-Hungarian ships and Austrian goods and all orders relating to the payment of costs made by any Prize Court of any of the Allied or Associated Powers, and undertakes not to put forward any claim arising out of such decrees or orders on behalf of any Austrian national.

The Allied and Associated Powers reserve the right to examine in such manner as they may determine all decisions and orders of Austro-Hungarian Prize Courts, whether affecting the property rights of nationals of those Powers or of neutral Powers. Austria agrees to furnish copies of all the documents constituting the record of the cases, including the decisions and orders made, and to accept and give effect to the recommendations made after such examination of the cases.

ARTICLE 379.

The High Contracting Parties agree that, in the absence of a subsequent agreement to the contrary, the Chairman of any Commission established by the present Treaty shall in the event of an equality of votes be entitled to a second vote.

ARTICLE 380.

Except where otherwise provided in the present Treaty, in all cases where the Treaty provides for the settlement of a question affecting particularly certain States by means of a special convention to be concluded between the States concerned, it is understood by the High Contracting Parties that difficulties arising in this connection shall, until Austria is admitted to membership of the League of Nations, be settled by the Principal Allied and Associated Powers.

ARTICLE 381.

In the present Treaty the expression "former Austrian Empire" includes Bosnia and Herzegovina except where the text implies the contrary. This provision shall not prejudice the rights and obligations of Hungary in such territory.

The present Treaty, in French, in English, and in Italian, shall be ratified. In case of divergence the French text shall prevail, except in Parts I (Covenant of the League of Nations) and XIII (Labour), where the French and English texts shall be of equal force.

The deposit of ratifications shall be made at Paris as soon as possible.

Powers of which the seat of the Government is outside Europe will be entitled merely to inform the Government of the French Republic through their diplomatic representative at Paris that their ratification has been given; in that case they must transmit the instrument of ratification as soon as possible.

A first procès-verbal of the deposit of ratifications will be drawn up as soon as the Treaty has been ratified by Austria on the one hand, and by three of the Principal Allied and Associated Powers on the other hand.

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From the date of this first procès-verbal the Treaty will come into force between the High Contracting Parties who have ratified it. For the determination of all periods of time provided for in the present Treaty this date will be the date of the coming into force of the Treaty.

In all other respects the Treaty will enter into force for each Power at the date of the deposit of its ratification.

The French Government will transmit to all the signatory Powers a certified copy of the procès-verbaux of the deposit of ratifications.

IN FAITH WHEREOF the above-named Plenipotentiaries have signed the present Treaty.

DONE at Saint-Germain-en-Laye, the tenth day of September one thousand nine hundred and nineteen, in a single copy which will remain deposited in the archives of the French Republic, and of which authenticated copies will be transmitted to each of the Signatory Powers.

(L.S.) FRANK L. POLK.

(L.S.) HENRY WHITE.

(L.S.) TASKER H. BLISS.

(L.S.) ARTHUR JAMES BALFOUR.

(L.S.) MILNER.

(L.S.) GEO. N. BARNES.

(L.S.) A. E. KEMP.

(L.S.) G. F. PEARCE.

(L.S.) MILNER.

(L.S.) THOS. MACKENZIE.

(L.S.) SINHA OF RAIPUR.

(L.S.) G. CLEMENCEAU.

(L.S.) S. PICHON.

(L.S.) L.-L. KLOTZ.

(L.S.) ANDRE TARDIEU.

(L.S.) JULES CAMBON.

(L.S.) TOM. TITTONI.

(L.S.) VITTORIO SCIALOJA.

(L.S.) MAGGIORINO FERRARIS.

(L.S.) GUGLIELMO MARCONI.

(L.S.) S. CHINDA.

(L.S.) K. MATSUI.

(L.S.) H. IUJIN.

(L.S.) HYMANS.

(L.S.) J. VAN DEN HEUVEL.

(L.S.) E. VANDERVELDE.

(L.S.) J. R. LOUTSENGTSIANG.

(L.S.) CHENGTING THOMAS WANG.

(L.S.) ANTONIO S. DE
BUSTAMANTE.

(L.S.) N. POLITIS.

(L.S.) A. ROMANOS.

(L.S.) SALVADOR CHAMORRO.

(L.S.) ANTONIO BURGOS.

(L.S.) I. J. PADEREWSKI.

(L.S.) ROMAN DMOWSKI.

(L.S.) AFFONSO COSTA.

(L.S.) AUGUSTO SOARES.

(L.S.) CHAROON.

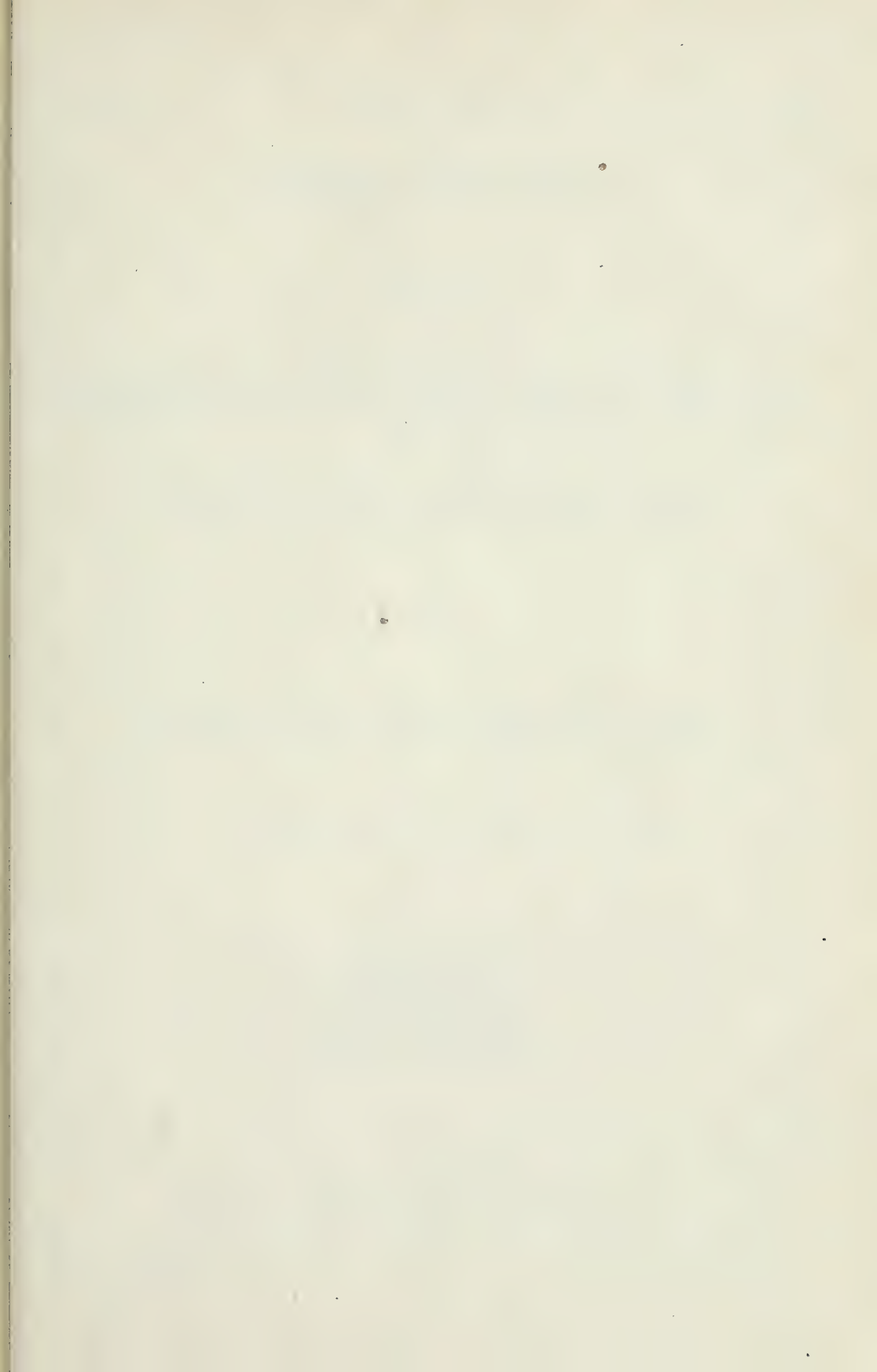
(L.S.) TRAIKOS PRABANDHU.

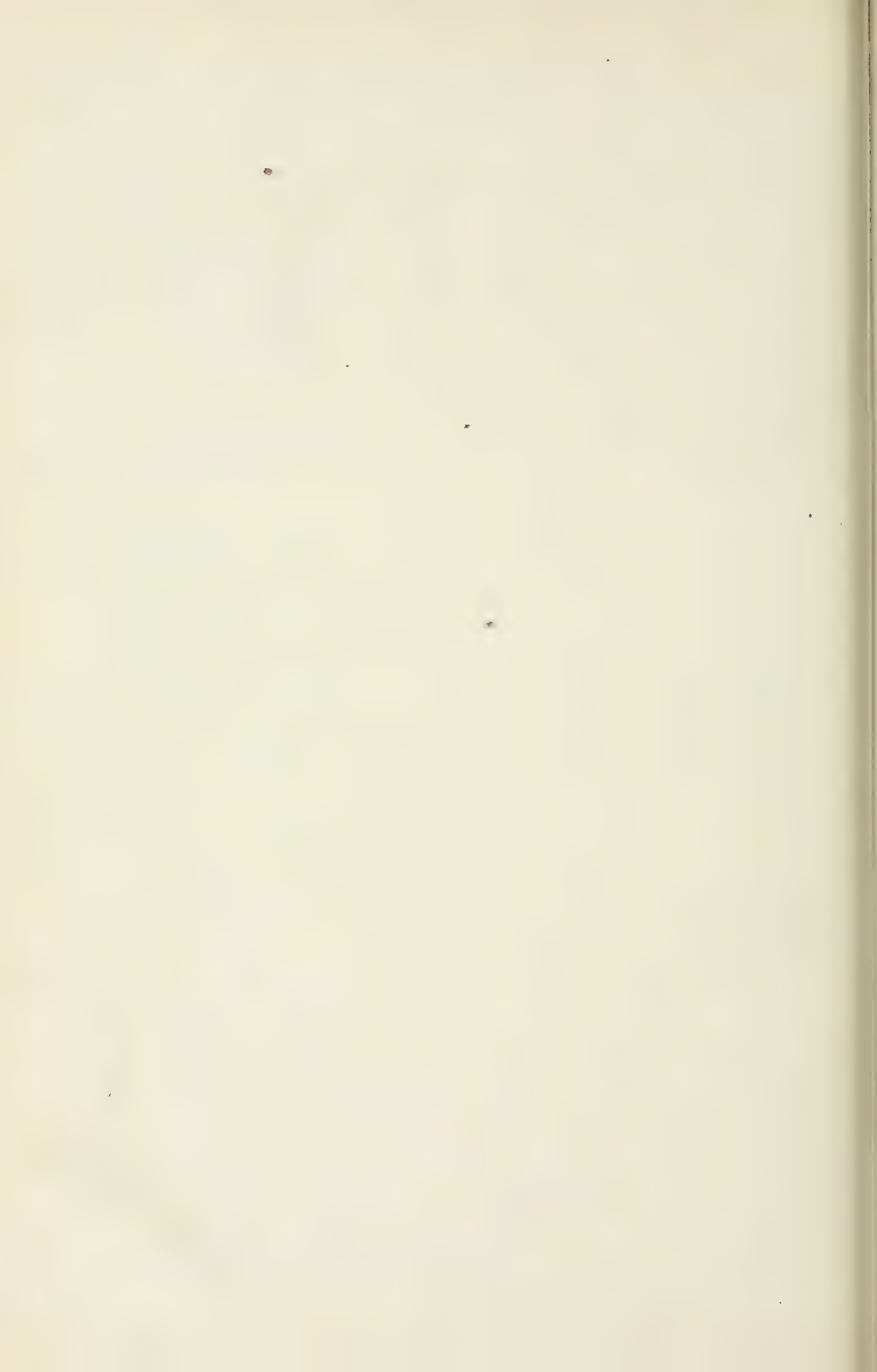
(L.S.) D. KAREL KRAMAR.

(L.S.) DR. EDUARD BENES.

(L.S.) RENNER.

(Signatures à la date du 10 septembre 1919).





CORRESPONDENCE

REGARDING

GRAND TRUNK RAILWAY
COMPANY ACQUISITION

AND

MEMORANDA RESPECTING THE SAME

PRINTED BY ORDER OF PARLIAMENT



OTTAWA
J. DE LABROQUERIE TACHÉ
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1919

GRAND TRUNK RAILWAY
COMPANY OF CANADA

GRAND TRUNK RAILWAY COMPANY OF CANADA

MEMORANDUM OF ASSOCIATION



IN WITNESS WHEREOF, the Board of Directors has caused this
Memorandum of Association to be signed by its duly authorized officers and
its corporate seal hereunto to be affixed, this 1st day of January, 1882.

OTTAWA, Jan. 24, 1918.

PERLEY, Dominion.
London.

B. 25. Confidential. Following for Smithers, President Grand Trunk. Begins. Most Confidential. Public opinion greatly exercised by proposed increase of railway rates. We are hearing appeal to-day from Railway Board's decision. Having regard to all conditions which confront the Government it seems highly probable that circumstances will compel us to take active steps toward nationalization of Canadian railways in immediate future. Please take into consideration terms upon which undertaking of Grand Trunk and Grand Trunk Pacific might be acquired by Government. Suggested basis of compensation is payment of annual sum to be distributed by directors or some other authority constituted by Shareholders. In estimating fair amount, you must take into consideration view of Railway Department that sums have been appropriated to dividends during several years past which ought to have been expended in securing higher standard of operation and maintenance. Liability under guarantee to the Grand Trunk Pacific must also be taken into account. Ends.

BORDEN.

LONDON, January 28, 1918.

PRIME MINISTER,
Ottawa.

P. 39. Confidential. Smithers having special meeting with Board to-morrow consider matter.

PERLEY.

LONDON, Feb. 2, 1918.

PRIME MINISTER,
Ottawa.

P. 45. Saw Smithers twice. Have now received G. T. Railway reply which have discussed with him. They are cabling it to their president who is authorized discuss matter. We have therefore arranged have him hand it to you save double cabling.

PERLEY.

GRAND TRUNK RAILWAY SYSTEM.

MONTREAL, QUE., Feb. 14, 1918.

Confidential.

The Right Hon. Sir ROBERT L. BORDEN,
Ottawa.

DEAR SIR,—I am directed by Mr. A. W. Smithers, Chairman of the Board of the Grand Trunk Railway Company of Canada, to convey to you the following reply to the cable communication from you conveyed to him through the High Commissioner of Canada, Sir George Perley:

10 GEORGE V, A. 1919

"Your cable message received through the High Commissioner of Canada was considered at a Board Meeting specially called on January 29th and further considered at Board meeting to-day.

On behalf of Board, I beg respectfully to emphatically protest against view of the Railway Department as to deficient up-keep and overpayment of dividends, and beg that President Kelley be heard on this, although immense work this Company, at great loss, has done for country since outbreak of war, ought to show view is absolutely unjustified.

As to liabilities for the Grand Trunk Pacific, those liabilities chiefly arose from the Government allowing Canadian Pacific, and, to an infinitely greater extent, Canadian Northern, to build lines into the new country which we were asked and assisted by the Government to develop by building Grand Trunk Pacific. This excessive railway building by competitive companies undertaken after Grand Trunk Pacific was commenced, led to greatly increased demand for materials and labour, leading to increase in cost two or three times amount contemplated from Grand Trunk Pacific was sanctioned. Yet, while the Canadian Northern Railway, the prime cause of our troubles, has been taken over by the Government, and relieved of all liabilities, it is apparently suggested Grand Trunk should assume some part of the liabilities arising out of bargain with the Government which action of Canadian Northern, assisted by the Government, rendered it impossible to carry out. Doubtless there were pressing reasons why Government felt bound to extricate Canadian Northern, but I respectfully and earnestly ask,—Would it be right, because the capital for the Grand Trunk Pacific was obtained from the British investor on favourable terms for Canada and without incurring liability to big financial institutions in Canada or elsewhere, that the British investor should suffer and not be treated by the Government in similar manner to the Canadian Northern. In the opinion of the Board it is only bare justice that the Grand Trunk Pacific should be taken over by the Government as in the case of the Canadian Northern, but Board do not ask, as in that case, for any consideration for the Grand Trunk Pacific common stock.

With regard to the proposal in your message; Board feel considerable difficulty in naming a sum which shall compensate for the blotting out of the possibilities of the future in such a rich and undeveloped country as Canada, the value of which has been impressed on the British investor by Canadian statesmen and by the press over long course of years. Consequently, Board strongly feel it absolutely necessary that any arrangements shall secure adequate compensation to the ordinary shareholders for sacrifice of their interest in the potential value of the future. Having their views in mind, and with every desire to meet the Government, Board suggests following terms which they would recommend to stockholders.

The Government to take over all the obligations of the Grand Trunk Railway Company of Canada, including fixed charges and debenture stock, and to pay annual sum as from January 1, 1917, of £1,084,200. This sum would pay the dividends on guaranteed and preference stocks. Government in addition, to pay annually 1 per cent on the ordinary stock from 1st January, 1920, a further 1 per cent from 1st January, 1925, and a final $\frac{1}{2}$ per cent from 1st January, 1930.

I beg in conclusion to bring to your recollection following facts. The only assistance Grand Trunk has received from the Government in 65 years was contribution of \$15,000,000 towards building line to Portland which was done at the request of the Government. This assistance compares with \$347,000,000 received by the Canadian Pacific in 35 years, \$300,000,000 received by the Canadian Northern in fifteen years and \$114,000,000 received by the Grand Trunk Pacific in 15 years.

(Signed) ALFRED W. SMITHERS,

Chairman.

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Mr. Smithers also directs me to say that his reply was sent through my office at the suggestion of the High Commissioner of Canada.

I shall hold myself in readiness to attend any conference which you may desire with me in this matter.

Yours faithfully,

HOWARD G. KELLEY,
President.

GRAND TRUNK RAILWAY SYSTEM.

MONTREAL, Feb. 26, 1918.

Rt. Hon. Sir ROBERT L. BORDEN, P.C., G.C.M.G.,
Ottawa.

DEAR SIR.—There have recently appeared in the press in some districts, and at public meetings, so many erroneous statements in respect to the condition of the Grand Trunk Railway, and the propriety of its dividend payments in the past, that I feel constrained, in the interests of the shareholders, to request the privilege of presenting personally to yourself and the Council, the actual facts as shown by the records of the Company.

The interests of the shareholders of the Grand Trunk property are of such wide financial importance, and have extended through so many years in the upbuilding and development of Canada that I know the appreciation of the great good for Canada resulting from these investments will receive the most earnest attention of the Government.

It is, however, impossible to give due consideration to their equities with a full knowledge of the actual facts.

I submit, with the utmost respect, that these facts are not known, either to the Government or to the people at large; therefore, any consideration which may be given to the railway question at this time, could not be complete nor could such consideration proceed upon equitable lines in so far as the shareholders of the Grand Trunk Railway are concerned, without a full explanation of the actual action taken by the Directors and the management in conserving the property, maintaining its efficiency in the public interest, and of the moderation of the returns made to its owners.

I remain with the utmost respect,

Faithfully yours,

HOWARD G. KELLEY,
President.

LONDON, March 1, 1918.

PRIME MINISTER,
Ottawa.

Smithers tells me G. T. Ry. Statement would in ordinary course be issued on 15th. In view very poor statement Board would feel obliged explain this due to heavy increased cost and inability obtain increase rates. Smithers anxious say nothing embarrass Government—says would make position easier in case Government can come to no conclusion during next two weeks if he stated negotiations were proceeding with Government and hoped for satisfactory result. He feels sure bare announcement of bad results would lead to great agitation in Press and shareholders. Have you any objection to this course or any suggestion make regarding it.

PERLEY.

10 GEORGE V, A. 1919

OTTAWA, ONT., 5th March, 1918.

PERLEY, Dominion,
London.

B. 41. Confidential. You are authorized to make the following proposal to Smithers without prejudice in case it is not accepted. First. Government will take over Grand Trunk and Grand Trunk Pacific and acquire all their assets. Second. Government will relieve the Grand Trunk Company from its liabilities in respect to the Grand Trunk Pacific and from its obligations to operate the National Trans-continental Railway. Third. The Government will also assume other liabilities and obligations of both Companies. Fourth. Government will make an annual payment to the Grand Trunk Company of two and a half million dollars for the first three years, three million six hundred thousand for succeeding five years, and three million six hundred thousand dollars thereafter. These sums would be distributed by Grand Trunk management as they may determine among holders of four per cent guaranteed and other stocks. Fifth. The acquisition of the assets of the Grand Trunk might be carried out by long term lease renewable perpetually with rental corresponding to annual payments above mentioned. Sixth. If Grand Trunk Company declines to accept the offer above set forth we are prepared to leave amount of annual payment to arbitration. Please inform Smithers that this is more considerate treatment than that accorded Canadian Northern as in that arbitration the amount payable is limited to ten million dollars although the award may considerably exceed that sum.

BORDEN.

LONDON, March 9, 1919.

PRIME MINISTER,
Ottawa.

P. 70. Smithers has asked me to transmit to you following cable in reply yours of 6th. Begins:

"On receipt of your message through High Commissioner I consulted some of my colleagues who looking to the terms offered by you, agreed with me it was unnecessary to call formal Board before replying. We are deeply disappointed at the counter-offer to that which we made at your request and I beg most respectfully to say that whatever the consequences, the Board could not recommend such an offer for acceptance. The utter inadequacy of the offer may be gauged by the fact that for the ten years ending December 31, 1916, our average net earnings over fixed charges amounted to 915,500 pounds per annum. The C.N.R. has been relieved of all liabilities by the Government and only a well defined question has been left to arbitration namely, what amount should be paid for \$60,000,000 of common stock representing no actual cash, whereas in our case your offer amounts to the immediate wiping out of the value of a great portion of first preference and whole of the second and third preference and ordinary stocks representing even at to-day's prices the lowest for many years, nearly 6,400,000 pounds and representing over eleven million pounds cash actually raised in England and spent in Canada." Ends.

PERLEY.

OFFICES OF THE WAR CABINET,
2 Whitehall Gardens, S.W.,

11th July, 1918.

Dear Mr. SMITHERS,—Some time ago the Government of Canada was informed on behalf of the Board of Directors of the Grand Trunk Railway Company that this Company would not be able, without Government assistance to meet certain maturities falling due on the 1st and 15th of the present month.

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It was thought of advantage that representatives of the Government should, on the occasion of their visit to England, to attend the Imperial War Conference, take the opportunity of conferring with yourself and your directorate on the general subject of Grand Trunk obligations and finance. Accordingly the Hon. Mr. Calder and myself have had four conferences with you, at two of which you were accompanied by certain associates on the Board.

At the last conference you suggested that I should lay before you in writing the position taken by the Government and, in as definite a form as possible, its concrete proposals.

It may be assumed that the difficulties in which the Company now finds itself arise from two main causes:—

(1) the obligations into which the Company entered in 1903 and 1904 with respect to the Grand Trunk Pacific Railway Company;

(2) war conditions as to operation and finance.

As to the latter cause it is not unfair to say that its incidence has fallen chiefly, if not wholly, in the years 1917 and 1918. On the contrary, the difficulties of the Grand Trunk Railway Company, which are the direct outcome of its Grand Trunk Pacific obligations, are of much longer date. This latter Company is in every sense subsidiary to, and its stock is wholly owned by the Grand Trunk Company. To this subsidiary Company the Government of Canada came, by way of assistance, as far back as 1909, with a loan of \$10,000,000. Another loan of \$15,000,000 was made in 1913. A further loan of \$6,000,000 was made in 1914 on a pledge of Bonds. Its securities were further guaranteed by legislation of that year to the extent of \$16,000,000. In 1916 a loan of \$8,000,000 was made. In 1917 a loan of \$7,500,000 was authorized and advanced and in the spring of this year a further loan of \$7,500,000 was authorized by Parliament. Meantime the ever-increasing interest obligation binding on the Grand Trunk Railway Company towards its subsidiary Company were not paid by the Grand Trunk Railway, but were taken care of out of the proceeds of loans thus made by the Government of Canada. These obligations at the present time amount to very considerably over \$5,000,000 per annum and in January, 1923, increase to over \$7,000,000 per annum. In the same conjunction it must be remembered that the Grand Trunk Pacific Company has not assumed or attempted to discharge its rental obligations to the Government of Canada with respect to the National Trans-continental Railway, which obligations while not formally assumed by the Government, have in practice been shouldered by the Dominion. This extra burden is a matter of very considerable magnitude.

I refer to the outstanding facts related in the preceding paragraph for the purpose of indicating what has through recent years been the attitude of the Canadian Government and people toward Grand Trunk enterprises.

It is at this point that the Canadian Government is invited to enter upon a still wider field of assistance by assuming liabilities in respect of Grand Trunk securities themselves. Through the course of the various steps recalled above, public opinion in our country has become more and more opposed to a continuance of the practice of assisting financially railways that were in private hands. Consequently at the opening of our negotiations we stated to you that we did not believe that continued further assistance under present conditions could be justified.

In order, however, that there might be reasonable opportunity for negotiation, we recommended to the Minister of Finance that funds be provided to enable the Company to meet maturities falling due in July. This has been and is being arranged.

Throughout the negotiations and indeed prior thereto, it has been made clear to your company that the obligations of the Grand Trunk Company to the Grand Trunk Pacific Company could not be ignored and that the Government could not undertake to assume the indebtedness of and to operate the Grand Trunk Pacific and branch lines thereof, and to relieve the Grand Trunk of responsibility therefor, while the

10 GEORGE V, A. 1919

Grand Trunk Railway itself, as a subsidiary of which and indeed as an extension of which the Grand Trunk Pacific was built, remained in independent hands. Accordingly, in the month of February last, after careful consideration and in pursuance of the recommendation of what is commonly known as the Drayton-Acworth Report, there were made to your Company the following proposals:—

- (1) The Government to take over the Grand Trunk Pacific Railway and branch lines and the Grand Trunk Railway Company; to acquire all assets, and to assume all obligations of both companies.
- (2) The Government to make annual payment of \$2,500,000 for the first three years, \$3,000,000 for the succeeding five years, and \$3,600,000 annually thereafter; such sums to be distributed by the Grand Trunk management, as they might determine, among holders of 4 per cent guaranteed and other stocks.

It was intended that the taking over should be by rental over a long period of years, as might be agreed, with a provision for purchase.

Should such terms not be accepted, it was suggested that the amounts in question might be submitted to arbitration. These proposals met with no acceptance.

Our present conference, extending over the past month, have resulted in little progress—the only practical step being indeed the assistance referred to above as advanced by the Government. As intimated above, such assistance cannot under present conditions be continued.

We are now prepared to abide by the proposals submitted to you in February last as to acquisition or we are prepared on behalf of the Government to submit the entire question of remuneration to a Board of Arbitration on the following general terms:—

- (1) The Board to consist of three persons; one to be appointed by the Grand Trunk Company, one by the Government of Canada, and the two so appointed to select a third, or, if they fail to agree, the third to be selected by a majority of the following: the Judge of the Exchequer Court of Canada, the Chief Justice of the Supreme Court of Canada, the Chief Justice of the province of Ontario.
- (2) The Board to have full power as to the procuring and acceptance of evidence.
- (3) The award to be by way of annual rental for a term of 999 years; the Board to have power to vary the rental for two or more periods of years. The Government to have the option of purchase on the basis of and during the term of the final rental at the end of any year and on one year's notice at twenty-five times the annual final rental.
- (4) Conditions arising or that have arisen out of the war not to be taken into account in determining the rental value.

Should the Company desire, the Guaranteed Stock may be treated as an obligation in the same way as the Company's bonds.

I would be glad to be advised whether the above specific proposal is acceptable or if not, whether the general terms of arbitration outlined above are satisfactory. Should either alternative be favourably received we may then enter upon discussion and negotiation as to further necessary details.

Yours very truly,

(Sgd.) ARTHUR MEIGHEN.

ALFRED W. SMITHERS, Esq.,
Chairman of the Board of Directors,
Grand Trunk Railway Company,
9 New Broad street, E.C.

SESSIONAL PAPER No. 90

GRAND TRUNK RAILWAY COMPANY OF CANADA,
DASHWOOD HOUSE, 9 NEW BROAD STREET,

LONDON, E.C. 2, July 22, 1918.

Dear Sir ROBERT BORDEN,—I received a letter from Mr. Meighen dated July 11, which was not, however, delivered here till July 15. I acknowledged the letter to Mr. Meighen immediately, and said I would submit it to my Board for consideration. This I did at the meeting of the Board on Friday, July 19.

A question has been raised as to what really are the terms offered in view of the offer made in the last paragraph but one of the letter, to take over as an obligation the Guaranteed Stock of the Company, and I think we should know exactly what is intended. Are proposals 1 and 2 on page 5 of the latter to be read as applicable in that case with the necessary substitution of the words "among holders of the Company's stock" in lieu of "among holders of 4 per cent Guaranteed and other Stocks?"

Yours faithfully,

(Sgd.) ALFRED W. SMITHERS.

The Right Hon. Sir ROBERT L. BORDEN.

SAVOY HOTEL,

LONDON, W.C. 2, July 29, 1918.

Dear Mr. SMITHERS,—In your letter of the 22nd instant you referred to Mr. Meighen's letter to you of the 11th idem, and raised a question concerning the meaning to be attached to the last paragraph but one of that letter.

The answer is that the paragraph in question is applicable only in the case of arbitration, that is to say, if the Grand Trunk Railway Company accept the alternative proposal to submit the entire question of remuneration to a board of arbitration, the Guaranteed Stock may, should the Company desire, be treated as an obligation in the same way as the Company's Bonds. This offer as to the treatment of the Guaranteed Stock does not apply, however, to the proposals made to your Company in the month of February last. Those proposals still stand in the form in which they were made without modification, and are to be regarded as the alternative to the arbitration proposal.

Yours faithfully,

(Sgd.) R. L. BORDEN.

ALFRED W. SMITHERS, Esq.

GRAND TRUNK RAILWAY COMPANY OF CANADA,
DASHWOOD HOUSE, 9 NEW BROAD STREET,

LONDON, E.C. 2, August 2, 1918.

Dear Sir ROBERT BORDEN,—I received a letter from Mr. Meighen dated July 11 on July 15. I acknowledged the letter to Mr. Meighen immediately, and said I would submit it to my Board for consideration. This I did at the meeting of the Board on Friday, July 19. A question was then raised as to the interpretation of the last paragraph but one of Mr. Meighen's letter. As Mr. Meighen had left for Canada, I asked you for an explanation which I have received in a letter from you dated the 29th July.

10 GEORGE V, A. 1919

I now wish to point out the first paragraph of Mr. Meighen's letter conveys a totally wrong impression as to the reason for the opening of negotiations with the Government with regard to the purchase of the Grand Trunk Railway. The real commencement was when I received through the High Commissioner a cablegram from you on the 25th January asking the terms upon which the undertakings of the Grand Trunk and Grand Trunk Pacific might be acquired by the Government. I immediately called a special meeting of the Board, which took place on January 29, at which your request for terms was carefully considered; further consideration was adjourned to February 1, when the Board agreed to terms of sale of the Grand Trunk, which they would recommend the proprietors to accept, and which terms were cabled to Mr. Kelley for transmission to you with a full statement of our case. It was not until the 7th March that I received a letter from the High Commissioner stating he had received a cablegram from you authorizing him, on behalf of the Government, to make a counter proposal to our offer. On the 8th March I replied, after consultation with my colleagues, that we could not recommend such an offer for acceptance.

On instructions from me, Mr. Kelley had several interviews with the Minister of Railways and yourself. On the 8th April Mr. Kelley cabled me that in an interview with the Minister of Railways, the Minister intimated that perhaps it would be best to have negotiations finally transferred to England in June. In the House of Commons at Ottawa on May 15, it is reported you said, negotiations would be continued during the summer in England. The press in both Canada and England commented on these statements, and the public and shareholders looked forward to negotiations being resumed here with you and your Ministers.

I first met Mr. Meighen and Mr. Calder by appointment on June 17, and again on June 19. At this latter meeting, it was decided to arrange a meeting between yourself and Ministers and the Board. As it was understood you were leaving for France for a few days, the meeting was fixed to be at the Company's Office on June 25. Owing to some misunderstanding on the part of Mr. Meighen, the meeting did not take place on that date, but did take place on June 27. At this meeting, the question of meeting the July payments of fixed charges was discussed. You and your Ministers were furnished with particulars of the Company's requirements for July, and you promised to send a cable message to the Finance Minister at Ottawa. In response to your message, we received £122,000 through the Bank of Montreal to meet our requirements on the 1st July, I then received a letter from you dated June 20, in which you expressed the wish that I would resume negotiations with Mr. Meighen and Mr. Calder. I replied, I should be glad to take up consideration of matters whenever Mr. Meighen and Mr. Calder could attend. On July 4, I received a letter from Mr. Meighen's Secretary, saying Mr. Calder would not return from France till Saturday, July 6. A meeting was finally arranged between Mr. Meighen and Mr. Calder and a committee of the Board on July 8.

Mr. Meighen and Mr. Calder met Mr. Clutton Brock and myself at the Company's Office on July 8. We had a long discussion, but in the end Mr. Meighen said they could not alter the offer of the Government. After we had been led to expect negotiations would be resumed in London, this statement of Mr. Meighen's was a great surprise. I accordingly asked for an interview with you which you kindly granted at 6.30 in the evening of July 8. I told you of Mr. Meighen's statement, and pointed out how impossible it was to continue negotiations when one party to the negotiations could not make any move. I told you I believed terms could be arranged, which would be satisfactory to the Government. I pointed out to you our difficulties in regard to the Grand Trunk arose from circumstances entirely beyond our control. You said several members of your Cabinet were meeting you that evening, and you would discuss the matter with them.

The next day, July 9, I met Mr. Meighen and Mr. Calder at 11.15 a.m. Mr. Calder informed me that the ministers who met you the previous evening had had a

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long discussion on the situation, and that they came to the conclusion it was impossible to alter the Government terms except after a discussion when they returned to Ottawa in full Cabinet. This delay is most unexpected and most unfortunate. As it is now clear, negotiations must be resumed in Ottawa, and knowing how fully occupied you must be, I will not now deal further with Mr. Meighen's letter, which is practically the offer made in March on behalf of the Government through the High Commissioner.

It is now necessary to put before you the financial position of the Grand Trunk Railway Company; a position which has arisen entirely from their being compelled to carry an enormous traffic at ruinously increased expenses without an equivalent increase in rates. In the year 1916, we earned £1,200,000 over and above fixed charges; of this amount we put £400,000 to a contingent reserve fund. In 1917 we took £1,000,000 increase in gross traffic over the amount of traffic of 1916, which had then been the biggest traffic in the history of the company. Had the traffic of 1917 been carried at the rate of working expenses of 1916, viz: 73.60 per cent, the net earnings of 1917 would have been £1,500,000 over fixed charges, instead of which, owing to the enormous increase in the cost of wages and coal and all materials, the rate of working exceeded 83 per cent and no revenue was earned after providing for fixed charges. From April, 1917, to the close of the year, we made every possible effort to obtain from the Railway Commission in Canada, permission to increase rates to meet the extraordinary increase of expenses caused entirely by the war. All our efforts were unavailing. It was not until March 15 this year that an advance of 15 per cent in the rates was granted; an advance quite inadequate to meet the continually growing expenses. As proof of its inadequacy, the United States Government, which took over the United States railways on the 1st January last, immediately raised the rates 15 per cent and in June raised them a further 25 per cent. The Canadian Government have now followed this action, and by an Order in Council ordered a further increase of 25 per cent in rates on lines east of Fort William effective August 12. At the same time it is announced the rates of wages in Canada on the railways are to be again increased.

As in 1917 we had to bear the whole of the enormous increase in expenses without any increase of rates, so in 1918 we are bearing a still larger increase in expenses for the whole year and have only received an increase of 15 per cent in rates in March and the further 25 per cent increase will not take effect till August 12. The consequence of this state of things must be that we shall be short of earning our fixed charges this year. It does not follow this will be the case next year as we shall then have the benefit of the increase of rates for the whole year instead of only a portion of the year as in this present year.

The circumstances arising from the war are common to all railways in Canada, America and Great Britain. You are aware of what the Government has done for the Canadian Northern in Canada, notwithstanding the enormous assistance it had already received. In America, the Government has guaranteed the railways the average net income of the three years to June 30, 1917. In Great Britain the Government has guaranteed the railways the net income of 1913, being the last complete year before the war. The Grand Trunk Railway has been the only company in all the countries I have mentioned left without the necessary assistance to meet the present extraordinary conditions.

If negotiations are to be resumed in Ottawa, some time must necessarily elapse and it is absolutely necessary if the credit of the company is to be preserved, that arrangements should be made to meet obligations falling due in October and November. The obligations are as follows:—

10 GEORGE V, A. 1919

Notes falling due October 1 with interest.....	£2,050,000
Interest charges between October 1 and 14.....	260,000
Loans from bankers in London with interest due October 15....	740,000

 £3,050,000

Estimated net amount to be received for notes.....	2,895,000
--	-----------

 £ 155,000

To meet these obligations we have applied to the British Treasury for permission to issue £3,000,000 notes which, if granted, would probably realize net £2,895,000, this is calculating they would realize net 96½ per cent. We ask the Government to guarantee this issue of notes, which will be secured by a deposit of debenture stock and to advance the deficit shown of £155,000.

If this arrangement is carried out, we shall be able to renew \$5,000,000 six per cent bonds of the Detroit, Grand Haven and Milwaukee Company, guaranteed by the Grand Trunk, falling due in November, but, of course, to do this, it is necessary our credit shall be maintained by the Government assisting us in the manner I have indicated for October.

There are other points which I have not dealt with, but I have confined my remarks to those which appear to be urgent.

I have asked your secretary to try and arrange a meeting between you and Mr. Ballantyne and the committee of my Board next week, as I think such a meeting while you are on this side would certainly be advantageous.

Yours faithfully,

(Signed) ALFRED W. SMITHERS.

Rt. Hon. Sir ROBERT BORDEN,
Savoy Hotel,

Strand, W.C.

SAVOY HOTEL,

LONDON, W.C., August 3, 1918.

Dear Mr. SMITHERS,—Your letter of the 2nd instant reached me to-day. I have transmitted copy to Mr. Meighen, with the request that he shall bring it to the attention of the Cabinet and especially Sir Thomas White and Mr. Calder.

Mr. Ballantyne has been asked to arrange as requested for a meeting on Wednesday next.

Yours faithfully,

(Sgd.) R. L. BORDEN.

ALFRED W. SMITHERS, Esq.
Dashwood House,
9 New Broad Street, E.C. 2.

GRAND TRUNK RAILWAY COMPANY OF CANADA,

DASHWOOD HOUSE, 9 New Broad Street,

LONDON, E.C. 2, August 8, 1918.

Rt. Hon. Sir R. L. BORDEN,
Savoy Hotel, Strand, W.C.

Dear Sir ROBERT BORDEN,—At the meeting yesterday between you and Mr. Ballantyne and General Mewburn and a Committee of my Board and myself, I made a proposition which, after a long discussion, you asked should be put in writing.

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I think, in order to put it in its true perspective, I should just put down the propositions that have passed between the Government and the Company. You have all the particulars of those propositions, and therefore I only shortly put down the bare figures.

At your request on the 25th January, conveyed through the High Commissioner, asking the board to say on what terms they would recommend the sale of the Grand Trunk and Grand Trunk Pacific to the Government, I replied with a statement of terms which at the end of 1930 would have resulted in an annual payment by the Government of 1,609,000 pounds. On the 7th March you replied on the part of the Government, with an offer which at the end of eight years would have involved an annual payment by the Government of 739,000 pounds, or you were prepared to leave the whole question of the amount to be paid to arbitration. At our meeting yesterday I proposed that the Government should pay a net annual sum of 977,000 pounds, being the amount of net earnings for the year 1913, the last normal year before the war, and thus following the course pursued by the British Government towards the British Railway, and leave to arbitration what further sum, if any, the shareholders are entitled to in respect of the prospective value of the undertaking that must arise from the development of the Dominion. This offer I now repeat. But, it was also suggested that an alternative offer should be made of a definite sum without arbitration, and I am authorized to say the board would recommend to the shareholders the payment of an annual sum of 1,163,000 pounds.

Yours faithfully,

(Signed) ALFRED W. SMITHERS.

OFFICES OF THE WAR CABINET,

2 WHITEHALL GARDENS, S.W. 1,

August 9, 1918.

Dear Mr. SMITHERS,—I beg to acknowledge your letter of yesterday, which I am transmitting by this mail to my colleagues.

The proposals therein set forth will, of course, be attentively considered; but I regret that I cannot hold out the slightest expectation that either of the two alternative proposals will be accepted.

Yours faithfully,

(Sgd.) R. L. BORDEN.

ALFRED W. SMITHERS, Esq.,
President of the Grand Trunk
Railway Company of Canada.

GRAND TRUNK RAILWAY COMPANY OF CANADA,

DASHWOOD HOUSE, 9 New Broad Street,

LONDON, E.C. 2, 13th August, 1918.

Dear Sir ROBERT BORDEN.—In reply to your letter of the 9th instant I need not say that my colleagues and myself are very disappointed at the expression of your opinion that neither of our offers is likely to be accepted—offers which were only made in the expectation that the Government would assist us in meeting payments falling due in October.

10 GEORGE V, A. 1919

I should be obliged if you would kindly tell me before you leave for Canada what in your view can be done to meet the serious position in the Company's finances which will arise at the end of September, which has been fully explained to you and which must be dealt with in the beginning of that month.

Yours faithfully,

(Signed) ALFRED W. SMITHERS,

The Right Hon. Sir ROBERT L. BORDEN,
Savoy Hotel, Strand, W. C.

GRAND TRUNK RAILWAY COMPANY OF CANADA,

DASHWOOD HOUSE, 9 New Broad Street,

LONDON, E.C. 2, 13th August, 1918.

DEAR SIR,—I enclose memorandum respecting the proposed acquisition of the Grand Trunk Railway by the Canadian Government, together with a copy of my speech to the Shareholders at the annual meeting in London last April. Colonel Ballantyne kindly undertook before leaving England to hand these documents to you on his return to Canada.

I earnestly ask you to give them your serious attention as I am sure the members of the Government or members of Parliament who are not specially interested in railway matters have no idea of the position in which the Grand Trunk Railway has been placed from causes absolutely beyond the control of the Management.

I regret exceedingly that important business in connection with the Company keeps me in London, but our President, Mr. Kelley, is fully acquainted with the position and will gladly afford any further information you may require.

Apologizing for troubling you at such length. I remain,

Yours faithfully,

(Signed) ALFRED W. SMITHERS,

Chairman.

OTTAWA, ONT., August 27, 1918.

My Dear Mr. SMITHERS,—I beg to acknowledge your letter of the 13th August which reached me on board ship, together with printed statements and memoranda setting forth the position from the point of view of the Grand Trunk Management.

Yours faithfully,

(Signed) R. L. BORDEN.

ALFRED W. SMITHERS, Esq.,
Grand Trunk Railway System,
Dashwood House, London, England.

OTTAWA, September 10, 1918.

PERLEY, Dominion,
London.

B. 107. Please inform Smithers with respect to his letter 13th August that I have consulted Minister Finance who has just returned as well as my other colleagues. The Government has not power to guarantee proposed note issue without the authority of Parliament and we do not consider it practicable to ask Parliament for such authority.

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The Government is disposed to assist in every reasonable way the maintenance of Company's credit as is evidenced by the advance of one hundred and twenty-two thousand pounds on July first and by our offer of 12th July last to advance three hundred and eighty thousand pounds to meet fixed charges upon terms which were regarded as reasonable but which the Company declined. We shall be glad to have any further suggestions from Smithers as to methods of assistance. There is strong objection in Council to any increase of our offer for the following reasons. It is most unwise and undesirable for a government without the report of a commission or board of arbitration or a vote of Parliament to undertake a large annual payment which would represent the capitalization of eighty or a hundred million dollars. The offer already made is based on the Drayton-Acworth report which affords a sufficient foundation for Government's proposal. If we go beyond the bounds of that report we have no certain guide as to what we should propose, Council will not accept either of the offers which Smithers put forward and unless they receive further offer before end of month they still consider negotiations at an end.

BORDEN.

GRAND TRUNK RAILWAY SYSTEM,

MONTREAL, September 13, 1918.

Dear Sir ROBERT,—Below please find translation of cable message dated London, September 12, received this afternoon from our Chairman, Mr. Alfred W. Smithers, with request that it be communicated immediately to you, and which was telephoned to your Secretary, Mr. Yates, at 4.30 p.m.:—

"Your cable message received through High Commissioner of Canada. From the conversation with you before you left, I considered it improbable Government would agree to guarantee an issue. I waited as long as I prudently could, and last Monday I succeeded in underwriting the issue of £3,000,000 6 per cent notes at 99 per cent, which is $\frac{1}{2}$ per cent better price than obtained for our last issue.

"In regard to the latter part of your cable message, I will bring it before board to-morrow, Friday, and cable further.

"SMITHERS."

Yours faithfully,

(Sgd.) HOWARD G. KELLEY.

Right Hon. Sir ROBERT L. BORDEN, G.C.M.G., etc.,
Prime Minister,
Ottawa.

Translation of cablegram received from London,

FEBRUARY 18, 1919.

KELLEY,

Sciatica, Montreal.

Take following message personally to Sir Thomas White:—

"On my arrival in London I informed the Chairman and Board that in an interview with you just before I left I drew the conclusion that you would be willing to consider proposal looking to the Grand Trunk working with the Canadian Government Railways in place of the Government proposal to purchase. I have accordingly suggested to the Board that the Government should take over Grand Trunk Pacific Railway and the Branch Lines Company,

10 GEORGE V, A. 1919

repaying to the Grand Trunk all indebtedness, and that Grand Trunk should enter into a traffic agreement with the Government by which Grand Trunk should become the eastern connection of the Canadian Government Railways and the Canadian Government Railways should become the western connection of the Grand Trunk, interchanging at North Bay; Grand Trunk to operate at cost all the eastern lines of the Canadian Northern Railway; Grand Trunk to undertake to spend upon improvements and additions to its terminals and other facilities such portion of the money owing by the Grand Trunk Pacific Railway and Branch Lines Company, which would be repaid by the Government and which might be necessary for the efficient handling of the combined through business. This plan would enable the Company to continue operation of its American lines and secure all of the advantages therefrom both to the Company and to Canada by reason of the control and movement of international competitive traffic over its lines and through Canada."

HOWARD G. KELLEY.

(Smithers).

OTTAWA, Ont., 19th February, 1919.

KELLEY,

Sciatica, London.

Replying your message received through Scott, your conclusion respecting our interview entirely unwarranted. Stop. Proposal made in your cable cannot be entertained.

WHITE,

*Acting Premier.**Imperial cable.*

LONDON, February 22, 1919.

Sir THOMAS WHITE,

Acting Premier, Ottawa.

Replying to your message, much regret I misunderstood you and that you cannot entertain my proposal. My object in coming to London and in making the proposal was, if possible, to end the deadlock.

(Sgd.) KELLEY.

GRAND TRUNK PACIFIC RAILWAY.

MONTREAL, February 25, 1919.

Hon. Sir THOMAS WHITE,

Minister of Finance,

Ottawa.

Dear Sir THOMAS,—Referring to our recent conversations. I am in receipt of a cable from Mr. Smithers stating that in the anticipation of receiving the balance of the appropriation of \$7,500,000, viz.: \$951,911.33, to apply for interest on Grand Trunk Pacific Railway Debenture Stock due March 1, payment was duly advertised. In consequence, however, of the remittance being coupled with the condition that it is to be used only for operating obligations, the Company will be unable to meet the interest due on the first proximo, and a serious situation will result.

I respectfully beg to direct your attention to the matter in order that the actual position, and possible consequences may be fully appreciated.

Yours very truly,

(Signed) FRANK SCOTT,

Vice-President and Treasurer.

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OTTAWA, February 28, 1919.

Dear Mr. SCOTT,—I beg to formally acknowledge receipt of your letter of the 25th instant which you personally handed to me at my office here. I note what Mr. Smithers states in his cable as to the Grand Trunk Pacific Railway Company being unable to meet the interest due upon its securities on March 1. With reference to the balance of the appropriation of the vote of \$7,500,000 by Parliament, the sum of \$923,311.26 was paid to your Company on your certificate No. 10 dated January 23, 1919, duly approved by the Acting Deputy Minister of the Department of Railways and Canals. This certificate expressly states that this sum is on "account of a cash deficit in the operation of the Company from April 1 to November 30, 1918, inclusive" and "is required to enable the Company to meet its operating obligations". The small balance of the vote amounting to about \$28,000 will, I understand, be required for the same purpose. There seems no doubt that deficit in operation should have priority over all other charges.

I have already informed Mr. Kelley, President of the Company, and yourself that it is not the intention of the Government to ask Parliament to provide a further vote for the Grand Trunk Pacific Railway Company while our negotiations with the Grand Trunk Railway Company remain in their present unsatisfactory condition. As I indicated to you, it will be for the Board of Directors of the Grand Trunk Railway Company to determine the question of their responsibility in respect of the interest maturing to-morrow upon securities guaranteed by their Company.

Yours very truly,

(Signed) W. T. WHITE.

FRANK SCOTT, Esq.,
Vice-President and Treasurer,
Grand Trunk Pacific Railway,
Montreal.

GRAND TRUNK PACIFIC RAILWAY,

MONTREAL, March 4, 1919.

Hon. Sir THOMAS WHITE, K.C.M.G.,
Minister of Finance,
Ottawa, Ont.

Dear Sir THOMAS,—I am instructed to inform the Government that in view of the fact that the increased rates applicable to the Grand Trunk Pacific Railway have not been sufficient to meet the increased operating expenses, it will not be possible for that Company to continue its operations when the present funds have been exhausted, which will be about the 10th instant.

May I ask you to be so good as to acknowledge receipt of this letter.

Yours very truly,

(Signed) FRANK SCOTT,
Vice-President.

10 GEORGE V, A. 1919

OTTAWA, March 5, 1919.

DEAR SIR.—I beg to acknowledge receipt of yours of the 4th instant informing me of the intention of your Company to discontinue operations about the 10th instant.

Yours truly,

(Signed) W. T. WHITE.

FRANK SCOTT, Esq.,
Vice-President and Treasurer,
Grand Trunk Pacific Railway,
Montreal.

MONTREAL, March 7, 1919.

Hon. Sir THOMAS WHITE, K.C.M.G.,
Minister of Finance,
Ottawa, Ont.

DEAR SIR,—I have been instructed by Mr. Smithers to forward the following cable message to you as from him:—

"Mr. Howard G. Kelley has handed me cable message from Mr. Frank Scott containing extract from your letter to him, as follows:—"that it is not intention of the Government to ask Parliament to provide further vote for Grand Trunk Pacific Railway while our negotiations with Grand Trunk remain in their present unsatisfactory condition." I beg to recall, when Ministers came over last summer, it was stated in Parliament negotiations would be resumed in London. I accordingly saw Ministers, with Members of Board several times and at last was told that Ministers could make no advance in their original offer without consent of full Cabinet in Ottawa. In these circumstances progress in negotiations was impossible, but with a view to facilitating matters, just before the Prime Minister left for Canada, a Committee of the Board, and myself, saw him, with two of his colleagues, and made a fresh proposal involving very big reduction on our first offer. This offer was not accepted, but on the 5th November High Commissioner of Canada sent for me and said he had message from the Prime Minister asking me if we wished to continue negotiations, and if so, he thought I should go to Canada. I told High Commissioner of Canada, looking to the fact that the Government had given no sign of any intention of departing from their original offer, I thought it was useless going out, unless I had some further explanation, or assurance, as to Government's intentions. To this we have had no reply, and I really fail to see how the Company can be held responsible for the unsatisfactory condition of our negotiations. Mr. Howard G. Kelley is returning in a few days and I think it would be advantageous if you could cable any reply you may wish to make to this communication before he leaves. Smithers."

Mr. Smithers' cable code address is "Smithers, Sciatica, London."

Yours very truly,

(Signed) FRANK SCOTT,
Vice-President and Treasurer.

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OTTAWA, March 8, 1919.

SMITHERS,

Sciatica, London.

Replying your cable received through Scott. Government considers unsatisfactory condition of negotiations due to Board of Directors of Grand Trunk Railway Company entirely failing to appreciate its responsibilities towards the Grand Trunk Pacific Railway undertaking and the bearing of its liabilities in respect thereto upon the question of the net earning power and value of the Grand Trunk Railway system. In November last the Prime Minister cabled to Sir George Perley to suggest to you that if your company desired further negotiations the government would be glad to see you in Canada as soon as convenient. He pointed out that it did not seem useful to continue discussion by correspondence. He also suggested that if you came you should be invested with ample powers to conclude an arrangement if one could be reached. Your attitude towards the reasonable suggestion contained in the Prime Minister's communication seemed clearly to indicate indifference towards the continuance of negotiations. Confirmatory of this is the peremptory notification on Thursday last to the Government, without previous intimation, or discussion, that the Grand Trunk Pacific would, on March tenth, discontinue operations, entirely regardless of consequences to Canada through interruption of traffic over a system so extensive and important.

(Signed) W. T. WHITE,
Acting Premier

Charge Prime Minister's Office.

LONDON, March 11, 1919.

Sir THOMAS WHITE,

Acting Premier, Ottawa.

In reply to your message I assure you nothing peremptory was intended, Government having taken position in message received here March third that they would not render further assistance and Grand Trunk Pacific working cash being exhausted owing to heavily increased expenses beyond power of Company to control we had no alternative but to notify Government of our inability to continue in order to prevent inconvenience to the people of Canada served by Grand Trunk Pacific. Special general meeting of the Grand Trunk Railway Company has been called for Friday, twenty-first

(Signed) SMITHERS.

LONDON, March 23, 1919.

Sir THOMAS WHITE,

Acting Premier, Ottawa.

Reported in Times to-day you stated in Parliament you were convinced Grand Trunk Directors thought that Government were powerless and that Government would have been compelled to advance further loan if they did not wish to see system idle. I beg to assure you there is not slightest ground for your statement. We only received your final refusal to further assist Company on March 3. We were advised by our officers we could only keep line open for a week without running into debt. Our Solicitor advised we were not entitled to use Grand Trunk funds for operating expenses on Grand Trunk Pacific and in interest of the travelling public to our great regret we had no other course open but to inform Government.

SMITHERS.

10 GEORGE V, A. 1919

OTTAWA, March 24, 1919.

Via Imperial Cable Service.

SMITHERS,

Sciatica, London.

Thanks for cable. The short notice given of intention to close down Grand Trunk Pacific System without previous intimation or discussion from Montreal or London seemed clearly to indicate intention to force the situation and has been so understood by Government and Parliament. I shall read your cable to Government and Parliament.

WHITE.

RESOLUTION PASSED UNANIMOUSLY AT SPECIAL MEETING OF THE SHAREHOLDERS OF THE GRAND TRUNK RAILWAY COMPANY OF CANADA, HELD IN LONDON, MARCH 21, 1919.

"That this meeting, having heard from the Chairman a statement of the course of negotiations which have taken place between the Government and the board, approves of the action of board and is of the opinion that the amount offered by the Government for the purchase of the Grand Trunk Railway is inadequate and will not enable the board to formulate a friendly and agreed scheme which would satisfy claim of different classes of stockholders; but it urges the board to convey to the Government the desire of all classes of stockholders to arrive at a friendly understanding;

And that the board be asked to form a committee selected from the largest holders of various stocks to consult with the board on the subject."

(Handed to Sir Thomas White by Mr. H. G. Kelley.)

OTTAWA, March 8, 1919

Re Grand Trunk Pacific Railway System.

DEAR SIR,—I enclose for your information copy of an Order of the Governor in Council appointing the Minister of Railways and Canals, receiver of the companies included in this system as defined in the Order, and of their works, undertakings, etc.

The reasons for the passing of this Order are given shortly in it. The matter was too pressing and important to warrant the Government waiting until the Grand Trunk Pacific Railway Company thought fit to fix the precise date when its operation would cease. It is my intention as Government Receiver to enter upon my duties, and take possession of the system immediately after twelve o'clock midnight of Sunday, the 9th instant, and I desire to know whether you, as treasurer, will conform to the requirements of the Order and facilitate the carrying out of my powers and duties as receiver, and whether you will, as the Order directs, continue to discharge for me as receiver, duties in connection with the operation and management of the undertakings and works, similar to your present duties as treasurer, so that no interruption of the operation and management thereof may occur.

Your early reply in writing is requested. If it be satisfactory I shall be glad to discuss details with you and give you such instructions and authority as may be necessary.

Yours truly,

(Sgd.) J. D. REID,

Receiver, Grand Trunk Pacific Railway System.

Mr. FRANK SCOTT,

Treasurer,

Grand Trunk Pacific Railway,
Montreal, P.Q.

SESSIONAL PAPER No. 90

OTTAWA, March 8, 1919.

Re Grand Trunk Pacific Railway System.

DEAR SIR,—I enclose for your information copy of an Order of the Governor in Council appointing the Minister of Railways and Canals receiver of the companies included in this system as defined in the Order and their works, undertakings, etc.

The reasons for the passing of this Order are given shortly in it. The matter was too pressing and important to warrant the Government waiting until the Grand Trunk Pacific Railway Company thought fit to fix the precise date when its operation would cease. It is my intention as Government receiver to enter upon my duties, and take possession of the system immediately after twelve o'clock midnight of Sunday, the 9th instant, and I desire to know whether you, as general manager, will conform to the requirements of the Order and facilitate the carrying out of my powers and duties as receiver, and whether you will, as the Order directs, continue to discharge for me as receiver, duties in connection with the operation and management of the undertakings and works, similar to your present duties as general manager, so that no interruption of the operation and management thereof may occur.

Your early reply in writing is requested. If it be satisfactory I shall be glad to discuss details with you and give you such instructions and authority as may be necessary.

Yours truly,

(Sgd.) J. D. REID,

*Receiver,**Grand Trunk Pacific Railway System.*

Mr. W. P. HINTON,
General Manager,
Grand Trunk Pacific Railway,
Winnipeg, Man.

OTTAWA, ONT., March 8, 1919.

Hon. Dr. J. D. REID,
Receiver for the Grand Trunk Pacific Railway System,
Ottawa, Ont.

Re Grand Trunk Pacific Railway System.

DEAR SIR,—I beg to acknowledge receipt of your letter this date with which was enclosed copy of an Order of the Governor in Council passed under the War Measures Act, 1914, appointing the Minister of Railways and Canals as receiver of the companies included in the Grand Trunk Pacific Railway System, as defined in the Order and of their works, undertakings, etc.; and in response to your verbal request for prompt reply.

In view of the reasons contained therein setting out the urgency of the situation in the public interest, and at your request contained in the letter referred to, I shall agree, as general manager, to conform to the requirements of the Order and facilitate the carrying out of the powers and duties required of you, as receiver, under the said Order, and will continue to discharge for you, as receiver, the duties in connection with the operation and management and the undertaking of the works similar to my present duties as general manager, so that no interruption in the operations and management of the system may occur, and will discuss further details and obtain such instructions and authority as may be necessary.

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I should state, for your information, however, that not being a director and having no corporate authority in connection with the system, therefore it prohibits me from taking any responsibility in respect to any legal position arising.

Yours truly,

(Sgd.) W. P. HINTON,
General Manager.

P. C. 517.

AT THE GOVERNMENT HOUSE AT OTTAWA,

FRIDAY, the 7th day of March, 1919.

PRESENT :

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL.

Whereas under the authority of "The Appropriation Act, No. 2, 1918," the Governor in Council advanced the sum of \$7,471,399.93 or thereabouts to the Grand Trunk Pacific Railway Company for certain purposes in said Act defined, including the meeting of "deficit in operation of the Grand Trunk Pacific Railway System," such sum being in addition to other large sums previously advanced under previous authority for similar purposes.

And whereas a letter dated 4th March, 1919, from the Vice-President of said Company was received by the Minister of Finance, as follows:—

"I am instructed to inform the Government that in view of the fact that the increased rates applicable to the Grand Trunk Pacific Railway have not been sufficient to meet the increased operating expenses, it will not be possible for that Company to continue its operations when the present funds have been exhausted, which will be about the 10th instant. May I ask you to be so good as to acknowledge receipt of this letter."

And whereas should the operation of the Grand Trunk Pacific Railway System be discontinued, great detriment to the public interests would ensue, and the intention of Parliament in authorizing the said advances would be defeated.

And whereas the continued operation of said system is essential in the present position of Canada resulting from the war, which has not yet been terminated by Peace, especially in connection with the transport of returning Canadian troops and of supplies and equipment and freight, and other services made necessary by the war—

And whereas for the protection of the public interests and for the purposes aforesaid, it is essential that the operation of said system should be continued without interruption.

And whereas the duty of continuing such operation is thrown upon the Government of Canada inasmuch as there are no effective provisions in existing laws whereby such continued operation could be otherwise secured.

And whereas immediate action by the Government is imperative.

Therefore His Excellency the Governor General in Council, under the authority of the War Measures Act, 1914, and of all other authority in that behalf, is pleased to order and it is hereby ordered as follows:

1. In this order, unless the context otherwise requires:

(a) "Grand Trunk Pacific Railway System" means and includes (1) the lines of railway and their appurtenances and the undertaking and works of the Grand Trunk Pacific Railway Company, of the Grand Trunk Pacific Branch Lines Company and of the Grand Trunk Pacific Saskatchewan Railway Company; (2) the lines of telegraph and their appurtenances and the

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undertaking and works of the Grand Trunk Pacific Telegraph Company; (3) the steamships, vessels and their appurtenances and the undertaking and works of the Grand Trunk Pacific Steamships Company; (4) the properties, hotels, and appurtenances and the undertaking of works of the Grand Trunk Pacific Development Company.

(b) "Officers" means and includes Directors, President, Vice-Presidents, Managers, Secretary, Treasurer, Clerks, Servants and employees.

(c) "Books and papers" means and includes books of accounts or of entries relating to the business or operation or maintenance of the said lines of railway or telegraph or steamships, vessels, hotels, properties or works, or any of them, or any part thereof, also records, statements and documents relating to such business, operation or maintenance or any part thereof.

(d) "Exchequer Court" means the Exchequer Court of Canada.

(e) The singular number includes the plural and the plural the singular, the male gender includes the female, and the female the male.

(f) "Person" includes corporation.

(g) "Government Receiver" means the Receiver appointed by this Order.

2. The Minister of Railways and Canals is hereby appointed Receiver of the Grand Trunk Pacific Railway System, and such Receiver shall have and exercise with respect to the said system and every part thereof and to the Companies included therein, powers and duties similar to those of a Receiver under Section 26 of the Exchequer Court Act.

3. On the application of the Government Receiver, the Exchequer Court of Canada may make such orders respecting such Receiver and his powers and duties and the carrying out thereof, including the issue of Receiver's Certificates, as the Court may deem necessary or expedient in the public interest.

4. Subsections 5 and 6 of section 26 of the said Act shall apply to the Government Receiver and to the Grand Trunk Pacific Railway System and every part thereof and to the companies included therein—except that no remuneration of the Receiver shall be fixed by the Court.

5. The Government Receiver may, on or after the 10th day of March, 1919, or on such earlier day as the Grand Trunk Pacific Railway Company, or any Company included in the Grand Trunk Pacific System, may cease to operate efficiently its undertaking and works or any portion thereof, take possession of such undertaking and works, and the Exchequer Court may from time to time make and enforce such Orders in aid of the Government Receiver with respect to taking of such possession or otherwise as the Court may deem expedient for the carrying out of the provisions of this Order according to their true spirit and meaning.

6. Each Company included in the Grand Trunk Pacific Railway System and its officers shall facilitate the carrying out of the powers and duties of the Government Receiver, and all books and papers, real or personal property of each of the said Companies, in its possession or under its control or the control of its officers or any of them, shall without delay be handed over to the said receiver or his nominees or placed under his control in such manner as he may direct.

7. Any officer of the Company included in the Grand Trunk Pacific Railway System, who obstructs the Government Receiver in carrying out his powers and duties, or fails to hand over to him, or his nominees, or to place under his control, any book or paper, real or personal property in accordance with the foregoing provisions, shall incur a penalty for each breach of said provisions of the amount hereinafter stated, viz. in the case of a President, a Vice-President, or a Director, the sum of ten thousand dollars (\$10,000); in the case of a Manager, with the authority of or similar to that of a General Manager or of one acting for or assisting a General Manager the sum of five thousand dollars (\$5,000); in the case of a Secretary or of a Treasurer, or of one acting for or assisting a Secretary or Treasurer, the sum of two thousand five hundred

dollars (\$2,500); in the case of any clerk, servant or employee, the sum of one thousand dollars (\$1,000).

8. Any penalty incurred under the foregoing provisions may be sued for and recovered, with costs, in the Exchequer Court, by suit or proceeding in such Court instituted by the Attorney General of Canada.

9. Nothing in this Order contained and nothing done or to be done under the authority hereof, shall render the Government of Canada or the Government Receiver, or any one acting under the authority of the Government Receiver, or of the Exchequer Court, liable to the Grand Trunk Railway Company of Canada, or to any Company included in the Grand Trunk Pacific Railway System, or to any creditor, or holder of any bonds, debentures, debenture stock or other securities of the said Companies, or any of them for any claim by reason of the making of this Order, or of anything done or to be done under the authority hereof, or under the authority of the Government Receiver or of the Exchequer Court, nor shall afford any defence to, nor shall prejudice any claim, action or proceeding of the Government of Canada which the Government might lawfully make or take, had this Order not been made.

10. All officers except the Board of Directors of any Company included in the Grand Trunk Pacific Railway System shall continue to discharge for the Government Receiver, till further orders or directions by him, duties in connection with the operation and management of the undertakings and works of any Company included in the Grand Trunk Pacific Railway System, similar to their present duties, so that no interruption in the operation and management thereof may occur.

11. Nothing herein contained or done, or to be done hereunder shall prejudice the exercise by the Exchequer Court or by any Court of any province of Canada of its present jurisdiction under the Exchequer Court Act, or under any other law or jurisdiction, to appoint a receiver or to order or decree a sale or foreclosure of any railway, or section thereof, or other property affected by this Order; provided that before any such sale or foreclosure is ordered or decreed, or any Receiver is appointed by any such Court notice of the application shall be given to the Minister of Railways and Canals of Canada, and he or counsel for him, shall be heard upon the application; and the Court in granting or refusing or postponing the application, shall take into consideration the public interests involved, and shall make such order as shall in the opinion of the Court protect the public interests.

12. The Minister of Railways and Canals mentioned in this Order means the minister for the time being, and upon a vacancy occurring his successor shall become the Government Receiver. The powers and duties of the Government Receiver may be exercised by such member of the Government as may from time to time be the Acting Minister of Railways and Canals.

13. Should it be made to appear to the Government Receiver that any book or paper is or has been used for the purposes of the operations of the Grand Trunk Railway Company of Canada, as well as the operations of any company included in the Grand Trunk Pacific Railway System, and that for such reason the same should not be handed over to the receiver or placed under his exclusive control, the Government Receiver may, on such terms and conditions as he may deem necessary, allow the joint use of same to be continued. The Government Receiver may open such books and accounts as in his opinion may be necessary, to separate and transfer from any such book or paper, jointly used, accounts and entries relating to any of the companies included in the Grand Trunk Pacific Railway System, and may so separate and transfer the same; and the said receiver shall keep the accounts of his receipts, expenses and disbursements in connection with each of the companies included in the said system, and their works, undertakings and properties, or parts thereof, in such manner that one may be distinguished from another, and that the interests of the various parties interested therein may be ascertained.

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14. The Governor in Council may from time to time, under the Order of the Exchequer Court, and upon the security of receiver's certificates, or otherwise, advance to the Government Receiver such sums as may be required to enable him to exercise his powers, and to perform his duties as receiver; the sums so advanced shall be paid out of any unappropriated moneys in the Consolidated Revenue Fund of Canada.

15. No transfer of any shares in the capital stock of any company included in the Grand Trunk Pacific Railway System shall, after the appointment of the Government Receiver, be made, and no such transfer shall be entered on any register or transfer book. Any transfer contrary to this provision shall be null and void; provided that the Government Receiver may, on the application of any person interested, or of his own motion, permit any transfer to be made or completed.

RODOLPHE BOUDREAU,
Clerk of the Privy Council.

P.C. 547.

AT THE GOVERNMENT HOUSE AT OTTAWA.

THURSDAY, the 13th day of March, 1919.

PRESENT:

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL.

WHEREAS through inadvertence, there were omitted from the definition of "Grand Trunk Pacific Railway System," in Section 1 of the Order passed by His Excellency in Council on March 7, 1919, providing for the appointment of a Government Receiver for the said System, the necessary words relating to Grand Trunk Pacific Terminal Elevator Company, Ltd.;

THEREFORE, His Excellency the Governor General in Council, is pleased to order and it is hereby ordered that the said Order in Council of March 7, 1919, shall be and the same is hereby amended by inserting at the end of the definition of "Grand Trunk Pacific Railway System" in Section 1 thereof, the following:—

(5) The properties, elevators, terminals and appurtenances, and the undertaking and works of Grand Trunk Pacific Terminal Elevator Company, Limited.

AND His Excellency the Governor General in Council is further pleased to declare and doth hereby declare that the said Order in Council of March 7, 1919, and this present Order shall be, and be read together as, one Order, and shall take effect from the passing of the said Order of March 7, 1919.

RODOLPHE BOUDREAU,
Clerk of the Privy Council.

MEMORANDA RE GRAND TRUNK RAILWAY SYSTEM.

SUMMARY.

Mileage—

	In Canada.	In U. S.
Operated under G. T. R. Co. operated..	3,592	419
“ “ American Cos. “	99	1,246
“ “ G. T. Pacific “	2,817	—
Total operated in Canada..	6,508	1,665
“ “ United States	1,665	—
Grand Total operated..	8,173	—

Capitalization—

In hands of public, December 31, 1917, for the System, including the Grand Trunk Pacific (1918) and American roads.

		Per mile.
Funded Debt..	\$ 448,703,356	\$ 56,170
Equipment Notes..	7,730,115	967
Guaranteed and Preference Stocks..	133,286,651	16,685
Common Stock..	118,209,695	14,798
Total Securities with Public..	\$ 707,929,817	\$ 88,621
Exclusive of Govt. Loan to G. T. R.	15,162,633	—

Traffic—

Passengers carried in 1918 were less in number for the Grand Trunk Railway Company than in any eight previous years. 1916 was the biggest year they ever had in this.

Freight tons in 1918 were a little less than in 1917, which was the record year. The length of haul in 1918 was the next best to the year 1916, which was the record year. The density of traffic, which is disclosed by the revenue tons one mile per mile of road, was the best in the history of the road, being 1,254,564 in 1918, with the year 1917 next.

Income Account—

On account of the increased rates, naturally the Gross Income is the largest in the history of the road, for 1918, but gave them no net after fixed charges. For the Grand Trunk Railway Company to December 31, 1918—

Operating Earnings..	\$ 61,588,756
“ Expenses (and taxes)..	53,435,805
Net Earnings..	8,152,951
Other Income..	2,893,568
Gross Income..	11,046,519
Deductions..	11,037,759
Surplus for dividends..	\$ 8,760

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This includes the estimated loss on the American roads, but does not include the Grand Trunk Pacific which for year December 31 was approximately:—

Operating Earnings.. . . .	\$ 7,986,029
" Expenses.. . . .	10,734,599
Deficit.. . . .	\$ 2,748,570
Revenue outside operations.. . . .	8,109
	\$ 2,740,461
Taxes	53,205
Operating Loss.. . . .	\$ 2,793,666
Other Income.. . . .	1,920,026
Deficit.. . . .	\$ 873,640
Fixed charges and Loss on branches.. . . .	9,442,739
Gross deficit for year.. . . .	\$ 10,316,379

Operating Ratio—

Including taxes, the Grand Trunk Railway Company's operating ratio in 1918 was 86.75 per cent; in 1917, 83.94 per cent; 1916, 73.60 per cent; 1915, 78.52 per cent; 1914, 79.58 per cent; 1913, 75.48 per cent; 1912, 72.54 per cent; 1911, 74.56 per cent.

United States affiliations—

By book figures of December 31, 1917, these roads show a deficit of \$1,302,154. To this must be added deficit of Central Vermont of \$154,729 not shown in Grand Trunk Railway Company's statement. This however, does not show the deficit for the Atlantic and St. Lawrence, which for 1917 was about \$1,200,000. Thus making over \$2,600,000 as the income cost to the Grand Trunk Railway in 1917, for the American railways.

HISTORY.

The original Grand Trunk Railway Company was incorporated in 1852; by October, 1856, a line from Toronto to Montreal was constructed and put in operation; an extension to Sarnia was opened by November, 1859, and some other lines were constructed, but the major portion of the present system was acquired by amalgamation and consolidation with other companies referred to later. The gauge of the tracks as at first built was 5 feet 6 inches, and it was not till 1879 that this was changed to standard of 4 feet 8½ inches.

The Great Western Railway first opened a line from Niagara Falls to Hamilton in November, 1853, this was extended to Windsor, January, 1854. In October, 1853, a line to Barrie was opened and extended to Collingwood January, 1855, subsequently other branches were built to Toronto, Guelph and Sarnia, and by 1866 they had 345 miles of road. The gauge was 5 feet, 6 inches until 1879, when it was made standard. This road in 1882 was consolidated with the Grand Trunk Railway under that name.

The Champlain & St. Lawrence Railway, afterwards the Montreal, Champlain Junction Railway, though not of importance in mileage but as one of the consolidated companies of the Grand Trunk Railway has considerable historical interest. This railway has to its credit the proper distinction of "Pioneer". As a horse-drawn affair, after an unsuccessful attempt to get a "steam coach" to operate, it was opened for traffic from opposite Montreal, to Rouses Point, on Lake Champlain, in 1836, and by 1839 was a "regular" railway with steam locomotives.

The St. Lawrence & Atlantic Railway chartered in 1845 to build a line to meet one being constructed by the Atlantic & St. Lawrence Railway from Portland, had

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opened from Longueuil (near Montreal) 30 miles to St. Hyacinthe on December 27, 1848, and reached Sherbrooke, August, 1852, and completed its road to the boundary in July, 1853. November, 1854, also saw the line Richmond to Quebec in operation. By connection with the rest of the Grand Trunk Railway, the first through train was run in November, 1859, between Portland, Maine, for service to Detroit.

The Northern Railway under the name of The Ontario Simcoe & Huron Railway in June, 1853, put a line from Toronto to Bradford in operation, afterwards extending to Barrie, October of that same year, and by January, 1855, had got to Collingwood, 96 miles from Toronto.

The Grand Trunk Railway after consolidated as referred to with the Great Western Railway, in 1882, absorbed the Midland Railway in 1884, and in 1888 the Northern Railway with its leased line, the Hamilton and Northwestern Railway. By 1890, the Grand Trunk had absorbed or controlled 17 railroads in Canada and 15 more in the United States. The Central Vermont Railroad was then acquired and in 1905 the Canada Atlantic Railway System was absorbed.

The Grand Trunk Pacific Railway was incorporated to operate a main line from Moncton to Prince Rupert and Branches on the prairies. The portion of the line east of Winnipeg was to be built by the Dominion Government and leased to the Grand Trunk Pacific for 50 years, with a possibility of renewal. West of Winnipeg was to be built with large Governmental assistance by the Grand Trunk Pacific Company, not only the main line, but the necessary branches.

The Grand Trunk Railway Company was to and do hold, the entire capital stock, and they were to have full control of the whole undertaking.

On completion of the main line east of Winnipeg by the Dominion Government, it was found the cost had reached \$160,000,000 instead of \$61,000,000 as originally estimated, and as the Grand Trunk Pacific's rental was percentage of the cost, they objected to take this part of the line over for operation.

To quote the Commission of Inquiry, majority report, page XXIII "And the Government by accepting the Company's refusal and commencing to work the line themselves, have in effect released the Company unconditionally".

The Grand Trunk Pacific have been operating the main line west of Winnipeg, together with the Prairie Branches since 1913. The Lake Superior Branch, a connection of the main line east of Winnipeg to Fort William has been leased by the Grand Trunk Pacific to the Canadian National Railways from May, 1915, for 999 years.

On 7th March, 1919, the Grand Trunk Pacific Railway went into the hands of a receiver, and the Honourable Minister of Railways is now operating the road as receiver, with practically no change in the management that previously existed.

TERRITORY COVERED AND DISTRICTS SERVED.

Atlantic Connection.

The Grand Trunk system has no line of its own in Canada east of Quebec city, but by traffic connections with the Canadian National Railways has access to the Maritime Provinces and the Canadian Atlantic seaboard. Through the Grand Trunk Railway Company control of the Atlantic and St. Lawrence Railroad, Central Vermont Railway, and the New London Northern Railroad, and by traffic connection with the Boston & Maine Railroad, it has outlets to three United States Atlantic seaports—Portland, Me.; New London, Conn., and Boston, Mass.

Quebec.

In the province of Quebec the company has no lines north of the river St. Lawrence. They have a main line from Quebec to Montreal, which is considerably longer

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than its competitors; a branch from this line to Three Rivers, and seven branches radiating southward from the city of Montreal. The Grand Trunk, it is thus seen, serves the district in a southerly direction from Montreal, both east and west to the International border, but divides parts of this territory with the Canadian Pacific Railway and other smaller roads. Between Montreal and Quebec, south of the Inter-colonial line, and north of the Canadian Pacific Railway (State of Maine line) the Grand Trunk Railway serves an area immediately on each side of their line, the central part of which is their territory exclusively. The Grand Trunk Railway have 552 miles of railway in this province, or 11.6 per cent of the provincial mileage.

Ontario.

In the older part of the province of Ontario, we find particularly in the well developed portions, that this railway has it gridironed with lines. There is a double track main line, Montreal via Toronto to Hamilton and Sarnia, for service to Chicago, a double track main line Hamilton to Niagara Falls for their State of New York connections. Other main lines or main branches serve between Montreal and Ottawa, Toronto and North Bay, Toronto and Sarnia via Guelph and Stratford, London and Detroit, Buffalo (Fort Erie) and Detroit (Windsor), Buffalo (Fort Erie) and Goderich, and off these branch lines are feeders to most of the towns of any importance. In the northern part of old Ontario, for a considerable distance south of the Ottawa river, with the exception of the branches into Pembroke and the one into North Bay, the Grand Trunk Railway do not serve any area. In what is commonly known as Northern or New Ontario, the Grand Trunk Railway operate no lines whatever, that is they have no operating railways of their own north or west of North Bay in the province of Ontario, and depend on traffic arrangements with the Canadian Northern Railway and Timiskaming & Northern Ontario Railway for a link to connect their eastern and Ontario lines to the Grand Trunk Pacific system. It is true they own what is known as the Lake Superior branch of the Grand Trunk Pacific, which runs from Superior Junction, on the Canadian Northern Railway to Fort William, but as this was a disconnected line of theirs, it is leased and operated by the Canadian Northern Railway. The total railway mileage of the province is 11,057 and the Grand Trunk Railway operate 3,152 or 28.5 per cent of this.

Manitoba.

In the province of Manitoba the Grand Trunk Railway system own and operate that portion of the main line of the Grand Trunk Pacific Railway running west from Winnipeg to the western provincial boundary. They have no branches or feeders, and as the district through which their main line runs is contiguous to other lines, there is no territory in Manitoba which may properly be considered the Grand Trunk Railway's. They operate 232 miles or 5.6 per cent of the 4,168 miles of railway in the province.

Saskatchewan.

The Grand Trunk Pacific in the province of Saskatchewan, besides the main line running northwesterly across the province, has six branches with a total mileage of about 1,213, for the province, or about one-fifth of all the mileage operated in the province, which is 6,162.

Alberta.

As well as the main line crossing the province of Alberta, about east and west, the Grand Trunk Pacific have a branch from Edmonton to Calgary, and two branches in the mountains serving coal mines. The largest portion of the main line east of Edmonton, and a great part of the Calgary branch, have opened up new territory, which the Grand Trunk Railway still have to themselves. The province has 4,273 miles of railway and the Grand Trunk Railway operates 664 miles, or 13.2 per cent.

As a grain road the present lines of the Grand Trunk Railway in the three wheat provinces are well enough located, in fact in that respect nothing could be desired, but they suffer from "length without breadth"; in other words, they have not anything like sufficient feeder lines to their main line to enable them to originate business sufficient to "carry" their excellent main line.

British Columbia.

Across British Columbia, east and west, geographically about the centre, but on the northern fringe of the population, the Grand Trunk Pacific have a low grade, expensively built main line with a seaport at Prince Rupert. This is the only line the Grand Trunk control in British Columbia. From the station of Mount Robson, near which the Canadian Northern Railway swing southward, the Grand Trunk Railway have exclusively that territory westward to the Pacific. Unfortunately from a traffic standpoint this territory at the present has practically no population and is of such physical character that the development of population will be very slow; not that the ultimate prospects of this part of the country is questioned, but it is bound to take time, which, with the kind of line the Grand Trunk Pacific have to maintain, is going to prove very expensive. The Grand Trunk Railway operate 14.0 per cent or 695 miles out of the total provincial mileage of 4,247.

United States.

Some of the lines owned or controlled by the Grand Trunk in the United States are operated by themselves and reported under the Grand Trunk Railway Company. However, the majority of these American lines of theirs are operated by separate companies, who themselves have certain arrangements by lease or control of smaller railway companies which give feeders to the principal American companies.

The Grand Trunk Western Railway, operated under that name, is the most important, it operating from Port Huron (opposite Sarnia) to Chicago, a double track main line. As previously stated, the Grand Trunk opened the Atlantic & St. Lawrence Railway, which runs from Island Pond, at the international boundary, to Portland, Me. This railroad has two small subsidiary lines. The Central Vermont system is controlled entirely by the Grand Trunk, and the main line runs to New London, Conn. This system controls six branches in the States of New Hampshire and Vermont, and three branches in the province of Quebec.

The general relations of the American lines may probably be better understood by reference to the accompanying map which shows the territory of each operating company as well as the main cities and towns on their routes.

MILEAGE.

The grand total mileage of the whole system including the Grand Trunk Pacific and the Roads controlled and operated is summarized as follows:—

	Road Mileage.	Subsidiary Tracks.
Total owned, controlled and operated.	8,173.7	3,783.2
Controlled by G. T. R. operated by others.	189.0	62.7
Total owned, controlled and leased but not all operated as system.	8,362.7	3,845.9
Giving a total <i>Trackage</i> controlled of.	12,208.6	m. inc. double track & sid.
And a total <i>Trackage</i> operated of.	11,956.9	" " "

The Roadway Mileage is mainly divided as follows—

Operated and reported under <i>Grand Trunk Railway Company of Canada</i> —	
Operated in Canada.	3,592.4 miles
" in United States.	419.1 "
Total reported by G. T. R. Co.	4,011.5 "

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Operated by *Controlled Companies in United States* and reported separately :—

Operated in Canada.. . . .	99.4 miles
" in United States.. . . .	1,246.4 "

Total reported by Controlled Co's in U. S. 1,345.8 "

Operated by *Grand Trunk Pacific Railway* all in Canada :—

Owned, controlled and leased.. . . .	3,005.4 miles
Deduct, owned, but operated by others.. . . .	189.0 "

Total operated by G. T. Pacific Ry. . . . 2,816.4 "

Making total operated by System of.. . . . 8,173.7 "

A Table is appended showing *Double Track Sidings* and *Total Trackage* divided between Canada and United States, and by various Companies comprising the system, showing miles, owned or controlled, and leased.

Another Mileage Table is attached, giving the Legal subdivisions of the mileage, dividing it between Canada, and United States, and if owned, controlled, leased or Trackage Rights.

This also outlines briefly the legal relation of Companies.

Reference numbers to map are given on these two tables.

There are 1,126 miles of double track operated; 743 being in Canada and 383 in United States.

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28, 29 Tol., Saginaw & Muskegon Ry. Co.	99-4	7-4	1,969-4	15-9	17-9	17-9	95-9	20-3	116-2	370-7	545-9	916-6	14-8	116-2	14-8	131-0
Total affiliated Roads reported in U.S.A.	99-4		99-4				1,011-7	234-7	1,246-4					1,345-8	934-5	2,280-3
Grand Trunk Pac. Rly. (inc. Sup. Br.)	1,962-0		7-4	1,969-4	15-9	418-3	434-2							1,969-4	434-2	2,403-6
Grand Trunk Pac. Branch Line Co.	1,000-0	36-0	1,036-0			119-6	119-6							1,036-0	119-6	1,155-6
Total Grand Trunk Pac. (owned)	2,962-0	43-4	3,005-4	15-9	537-9	553-8								3,005-4	553-8	3,559-2
Total Line owned, controlled and leased Can.	6,620-8	76-4	6,697-2	743-4	1,946-5	2,089-9										
Deduct L. Superior Br., operated by C.N.R.	189-0		189-0		62-7	62-7								189-0	62-7	251-7
Total line operated Can.	6,431-8	76-4	6,508-2	743-4	1,883-8	2,027-2										
Total line operated United States	1,367-5	298-0	1,665-5	382-8	773-2	1,156-0	1,367-5	298-0	1,065-5	382-8	773-2	1,156-0				
Total line operated	7,799-3	374-4	8,173-7	1,126-2	2,657-0	3,783-2								8,173-7	3,783-2	11,956-9

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[illegible]

GRAND TRUNK RAILWAY SYSTEM.

MILEAGE AND LEGAL RELATIONS OF COMPANIES.

	Mileage.				United States.			
	Canada.		Rights.		Leased.		Total.	
	Owned.	Controlled.	Leased.	Rights.	Total.	Controlled.	Leased.	Total.
<i>Grand Trunk Railway System of Canada—</i>								
<i>Controls—by owning all Capital Stock (\$25,000,000)—</i>								
<i>Grand Trunk Pacific Ry. Co. who own and operate</i>								
Winnipeg to Prince Rupert.....		1,773.0						
who own Branches.....			1.7					
who lease.....				5.7	1,780.4			
and have trackage rights over.....								
and own, but C.N.R. operate Lake Superior					189.0			
Branch.....								
This Company through entire stock ownership								
controls the <i>Grand Trunk Pacific Branch Lines Co.</i>								
who operate and own.....	1,000.0	1,000.0	36.0		1,036.0			
and lease.....								
Total G.T.P. owned and controlled.....		2,962.0	37.7	5.7	3,005.4			
Total G.T.R. Co's operation.....	3,382.9	176.5	21.4	11.6	3,592.4			419.1
Total G.T.R. affiliated Co. reported separately.....		99.4			99.4	355.8	61.0	2.3
Total Mileage Canada.....	3,382.9	3,237.9	59.1	17.3	6,697.2	1,011.7	209.4	25.3
Total Mileage United States.....		1,367.5	270.4	27.6	1,665.5			
Total Mileage Canada and United States.....	3,382.9	4,605.4	329.5	44.9	8,362.7			
Deduct—Lake Superior Branch operated by C.N.O.								
Rly.....					189.0			
Total Mileage Operated.....	3,382.9	4,605.4	329.5	44.9	8,173.7			

GRAND TRUNK RAILWAY COMPANY.

GENERAL BALANCE SHEET—DECEMBER 31, 1918.

	£	s.	d.	£	s.	d.
<i>Current Liabilities—</i>						
Interest on Capital Account accrued	641,867	11	3			
Sundry Outstanding Accounts.....	3,166,435	10	4			
Wages unpaid at Dec., 1918.....	643,736	13	10			
Overdraft at Bank.....	233,194	15	0			
				4,685,234	10	5
<i>Reserves—</i>						
Fire Insurance Fund.....	247,768	10	0			
Special Compensation Fund.....	62,233	17	8			
Reserve for contingencies.....	400,000	0	0			
				710,002	7	8
<i>Advances to Controlled Companies—</i>						
Interest coupons held of—						
Grand Trunk West. Ry.....	325,366	9	7			
Detroit, Grand Haven & Mil. Ry.	1,092,527	2	8			
Toledo, Saginaw & Muskegon Ry.	79,434	6	2			
				1,497,327	18	5
Net Income Balance.....				48,106	10	2
				£ 103,690,935	7	8

NOTE.—*£10,300,000 of Grand Trunk 4 per cent Debenture Stock further than above has been issued as collateral security for notes indicated thus*.

ASSETS.		LIABILITIES.	
<i>Property investment in Road and Equipment.</i>		<i>Capital Stock—</i>	
<i>and Investments—</i>		4% guaranteed stock.....	\$40,833,332 51
For fire insurance.....	\$ 1,205,905 81	1st preference 5% stock.....	16,643,999 78
For compensation.....	302,871 54	2nd " 5% ".....	12,312,666 50
		3rd " 4% ".....	34,884,531 95
"alls in arrears on capital stock		Total preference stocks.....	\$124,674,533 74
Toledo, Saginaw, and M. Ry. 5% bonds.....	\$ 1,199,999 98	Common stock.....	116,583,124 44
Other securities.....	6,244,793 26		
			\$241,257,658 27
<i>Current Assets—</i>		<i>Funded Debt—</i>	
Sundry outstanding accounts.....	\$43,838,831 44	Grand Trunk 5% deb. stock.....	\$20,782,491 38
Outstanding traffic accounts.....	1,581,852 15	*Grand Trunk 4% deb. stock.....	119,839,012 69
Materials and supplies on hand.....	6,407,195 57	Great Western 5% deb. stock.....	13,252,322 48
		Northern 4% deb. stock.....	1,499,979 65
<i>Advances to controlled companies—</i>		Total debenture stock.....	\$155,373,806 20
G. T. Western Ry. (general purpose).....	\$ 261,352 04		
" (under agreement).....	1,583,450 13		

Det. G. H. and M. Ry. (general purpose).....	\$ 129,979 30
" (guar. payments).....	5,316,964 00
Toledo, Sag. and Muskegon Ry.....	386,580 20
Traders Sidings—bearing interest.....	\$ 7,678,326 27
	1,158,363 88
Second mtge. equipment bonds 6%.....	\$ 1,814,779 97
Northern third mtge. 6%.....	70,566 67
Canada Atlantic 4% bonds.....	16,000,091 77
Wellington, Grey and Bruce bonds.....	295,893 34
Matured bonds unpaid.....	3,406 67
	\$18,184,738 42
Total funded debt.....	\$17,558,544 62
Advance by Canadian Government.....	15,142,633 13
Equipment Trust notes.....	\$ 6,092,999 91
" loans.....	893,733 32
	\$ 6,986,733 23
Less credits.....	1,642,525 69
	5,344,207 54
Notes payable—unsecured.....	\$ 3,916,362 18
*Five year 5 ¹ / ₂ % secured notes.....	12,166,666 50
*Three year 6% " due Jan., 1921.....	4,866,666 60
*Three year 6% " due Oct., 1921.....	14,598,539 80
	35,548,235 08
Current Liabilities—	
Interest on capital account accrued.....	\$ 3,123,755 42
Sundry outstanding accounts.....	15,409,985 97
Wages unpaid at Dec., 1918.....	3,132,851 84
Overdraft at bank.....	1,134,881 12
	22,801,474 35
Reserves—	
Fire insurance fund.....	\$ 1,205,806 68
Special compensation fund.....	302,871 54
Reserve for contingencies.....	1,946,666 64
	3,455,344 86
Advances to controlled companies—	
Interest coupons held of—	
Grand Trunk Western Ry.....	\$ 1,583,450 17
Detroit, Grand Haven and M. Ry.....	5,316,965 30
Toledo, Saghuaw and Muskegon Ry.....	386,580 28
	7,286,995 75
Net income balance.....	294,118 33
	\$504,629,211 93

NOTE:—* \$50,126,065.98 of Grand Trunk 4 per cent Debenture Stock further than above has been issued as collateral security for notes indicated thus:—*.

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GRAND TRUNK RAILWAY SYSTEM.

CAPITALIZATION—Dec. 31st, 1917.

	Mileage.					Held by Public.					Total held by public.
	Owned or Controlled.	Leased or Right.	Total.	Canada.	U. S.	Funded Debt. Bonds and Debentures Notes—Loans.	(To Public) Equipment, etc.	Capital Stock Guaranteed or Pref.	(Held by public) Common		
										\$	
Grand Trunk Railway Co.— Parent Co. reported in G. T. R. Controlled Co's. reported in G. T. R.	3395.3		3395.3	3395.3		202,332,997	5,238,115	124,674,533	116,583,120	448,828,755	
operations—											
Atlantic & St. Lawrence R. R.	165.2	1.5	166.7		166.7	(owned by G. T. R.)		(6%) 5,483,800	(owned)	5,483,800	
St. Clair Tunnel	2.2		2.2	1.1	1.1	(owned)		2,555,633		6,211,916	
Buffalo & Lake Huron Ry.	162.5		162.5	162.5		(owned)			806,600	806,600	
International Bridge Co.	1.0		1.0	0.5	0.5						
Champlain & St. Lawrence R. R.	1.2		1.2		1.2	(owned)		(4%) 572,685	(owned)	572,685	
Chicago, Detroit & Canada R. R.	60.0		60.0		60.0	(owned)					
Michigan Air Line Ry.	105.6		105.6		105.6	(owned)					
United States & Canada R. R.	22.2		22.2		22.2	(owned)					
Cincinnati, Saginaw & Mackinaw Ry. (lease only)		54.1	54.1		54.1				11,075	11,075	
Lewiston & Auburn R. R. (lease only)		5.4	5.4		5.4						
Pembroke Southern Ry. (lease only)		21.4	21.4		21.4						
Trackage rights—T. N. O. Ry.—Int. & N. Y. C.		13.9	13.9	11.6	2.3						
Total—Reported under G. T. R. Co.	3915.2	96.3	4011.5	3592.4	419.1	205,989,280	5,238,115	133,286,651	117,400,795	461,914,841	
Central Vermont Ry. Co.	246.3		246.3		246.3	9,521,000	441,000		808,900	10,770,900	
Montreal & Province Line Ry.	58.6		58.6	58.6		200,000			(owned by C. V. R.)	200,000	
Stanstead, Shefford & Chambly R. R.	40.8		40.8	40.8		155,865			"	155,865	
Bethel Granite Ry.	5.4		5.4		5.4				"		
New London Northern R. R. & West River R. R.		159.5	159.5		159.5						
Detroit, Grand Haven & Milwaukee Ry.	189.0	1.5	190.5		190.5	2,802,000	1,961,000		(owned by G. T. R.)	4,763,000	
Grand Trunk Western Ry.	326.9	20.2	347.1		347.1	11,882,100	90,000		(owned)	11,972,100	
Pontiac, Oxford & Northern R. R.	100.6		100.6		100.6	400,000			(owned by G. T. W.)	400,000	
Detroit, and Toledo Shore Line R. R.	47.6	33.2	80.8		80.8	1,500,000			(jointly owned)	1,500,000	
Toledo, Saginaw & Muskegon Ry. Co.	95.9	20.3	116.2		116.2				(owned by G. T. R.)		

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Total affiliated Roads reported in U.S.A.	1111-1	324-7	1345-8	99-4	1246-4	26,460,965	2,492,000	808,900	29,761,865
Total all lines except Grand Trunk Pacific.	5026-3	331-0	5357-3	3691-8	1665-5	232,450,245	7,730,115	133,286,651	118,209,695	491,676,706
Per Mile owned and controlled (50263)	.....	.....	.....	.....	.....	46,247 Dec. 31, 1918.	1,538	26,518	23,518	97,821
Grand Trunk Pacific Ry. Co. (including L. Superior Br.).	1962-0	7-4	1969-4	1969-4	.....	199,466,671	.....	.....	(owned by G. T. R.)	199,466,671
Grand Trunk Pacific Branch Lines Co.	1000-0	36-0	1036-0	1036-0	.....	16,786,440	.....	.....	(owned by G. T. P.)	16,786,440
Total Grand Trunk Pacific Ry.	2962-0	43-4	3005-4	3005-4	.....	216,253,111	.....	.....	.....	216,253,111
Per Mile owned and controlled (2962-0).	.....	.....	.....	.....	.....	73,009	.....	.....	.....	73,009
Total Grand Trunk Railway System.	7988-3	374-4	8362-7	6697-2	1665-5	448,703,356	7,730,115	133,286,651	118,209,695	707,929,817
Per Mile owned and controlled (7988-3).	56,170	967	16,685	14,798	88,621

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GRAND TRUNK PACIFIC BRANCH LINES COMPANY.

GENERAL BALANCE SHEET—JUNE 30, 1918.

ASSETS.		LIABILITIES.	
Property Investment in road and equipment.....	\$ 29,186,593	Capital Stock.....	\$ 1,002,000
Unadjusted Debits.....	71,320	<i>Paided Debt</i> —	
Securities in Treasury.....	10,507	1st Mortgage 4% Bonds guaranteed by Alberta Govt.....	\$ 3,589,596
<i>rent Assets</i> —		1st Mortgage 4½% Bonds guaranteed by Sask. Govt.....	11,315,052
Cash in Bank.....	70,949	1st Mortgage 4½% Bonds guaranteed by Sask. Govt.....	1,881,792
Due from solvent Co's.....	121,489		16,786,440
Special deposit.....	3	<i>Current Liabilities</i> —	
Loss.....	192,441	Loans and Bills Payable.....	\$ 11,019,687
	448,966	Audited Accounts—Wages.....	143,035
		Matured interest coupons unpaid.....	25,768
		Miscellaneous accounts payable.....	807,063
		Unmatured interest unpaid.....	113,477
		Deferred Liabilities.....	12,109,030
			12,357
			\$ 29,909,827

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GRAND TRUNK RAILWAY.

GROSS EARNINGS, OPERATING EXPENSES AND NET EARNINGS.—6 MONTHS 1919.

Date.	Gross.	Expenses.	Net.	Oper. per cent.	Increase over last year.
	\$	\$	\$		\$
January.....	4,405,403	5,121,778	716,377*	116.26	81,816
February.....	4,090,800	4,401,019	310,219*	107.58	660,372
March.....	5,517,223	4,676,174	841,049	84.75	763,616
April.....	5,360,896	4,604,585	756,311	85.89	93,017
May.....	5,275,671	4,606,533	669,138	87.31	36,525*
June.....	4,951,329	4,647,928	303,401	93.87	707,511*
Six months.....	29,601,321	28,058,018	1,543,303	94.78	691,053

* Decrease or Deficit.

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GRAND TRUNK RAILWAY COMPANY.

INCOME ACCOUNT—DECEMBER 31ST.

	1918.	1917.	1916.	1915.	1914.	1913.	1912.
Average Miles operated.....	4,003	4,011	4,008	4,015	4,015	3,546	3,545
Operating Earnings.....	\$ 61,588,756	\$ 52,197,401	\$ 47,789,345	\$ 40,357,748	\$ 41,837,604	\$ 46,818,190	\$ 41,109,156
Operating Expenses (in. t.xes).....	53,435,805	43,814,083	35,176,398	31,688,117	33,297,339	35,340,809	29,822,777
Net Earnings.....	\$ 8,152,951	\$ 8,383,262	\$ 12,613,005	\$ 8,669,631	\$ 8,540,265	\$ 11,477,381	\$ 11,286,378
Other Income.....	2,893,598	2,657,934	2,479,664	3,695,114	3,322,658	1,495,201	1,051,166
Gross Income.....	\$ 11,046,549	\$ 11,041,196	\$ 15,092,667	\$ 12,364,745	\$ 11,862,923	\$ 12,972,582	\$ 12,337,544
<i>Deductions—</i>							
Rental, leased lines.....	\$ 340,666	\$ 755,335	\$ 755,335	\$ 755,335	\$ 755,335	\$ 755,335	\$ 755,335
Interest on Bonds, Debentures and Loans.....	7,332,611	7,332,310	7,332,310	7,331,350	7,261,232	6,913,042	5,806,167
Interest on Notes.....	1,725,165	1,523,500	1,459,611	1,088,916	486,667	40,963	.....
Reserve for Contingencies.....	.....	.....	1,946,666	.....	.....	.....	.....
Deficit Det. Grand Haven & M. Ry.....	.....	688,980	195,830	9,149	504,878	408,166	.....
“ Grand Trunk Western Ry.....	1,639,317	463,306	580,146	594,594	658,694	.....	1,077,548
“ (xx).....	.....	139,979	.....	.....	.....	.....	.....
“ Toledo, Saginaw & Muskegon Ry.....	.....	.....	78,626	100,072	127,249	99,747	.....
Total Deductions.....	\$ 11,037,759	\$ 10,913,300	\$ 11,188,233	\$ 9,879,416	\$ 9,794,055	\$ 8,217,253	\$ 7,639,050
Surplus available for dividends.....	8,760	127,896	3,904,434	2,485,329	2,068,898	4,755,329	4,698,494
<i>Dividends—</i>							
Guaranteed Stock (4%).....	.....	.....	\$ 2,433,333	\$ 2,433,333	\$ 2,129,167	\$ 2,417,870	\$ 2,351,444
1st Pref. (5%).....	.....	.....	831,431	831,430	831,430	831,430	831,430
2nd “ (5%).....	.....	.....	615,244	615,244	615,244	615,244	615,244
3rd “ (4%).....	.....	.....	.....	.....	.....	871,698	871,698
Total Dividends.....	No Dividends	No Dividends	\$ 3,880,008	\$ 2,433,333	\$ 2,129,167	\$ 4,736,242	\$ 4,609,513
Surplus after dividends.....	\$ 8,760	\$ 127,896	\$ 24,426	\$ 51,996	\$ (d) 60,269	\$ 19,087	\$ 28,981

(d) Deficit.

(xx) Estimated loss on lines in United States taken under Federal control by the United States Railroad Administration.

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GRAND TRUNK RAILWAY SYSTEM (Without G. T. Pacific).

REVENUES COMBINED ROADS (FOR YEAR 1917).

	Grand Trunk Ry. Co.	Central Vermont Ry. Co.	Detroit G. Haven Milwaukee Ry.	Grand Trunk Western Ry.	Pontiac, Oxford & Northern Ry.	Toledo, Saginaw Muskegon Ry.	Total.
Average Miles Operated.....	4,011.5	510.6	190.5	427.9	100.6	116.2	5,357.3
Total Operating Revenue.....	\$ 52,197,345	\$ 4,482,810	\$ 3,403,425	\$ 10,165,881	\$ 304,537	\$ 206,823	\$ 70,700,821
Operating Expenses (without taxes).....	\$ 42,619,755	\$ 3,730,687	\$ 3,148,678	\$ 7,825,914	\$ 362,001	\$ 302,786	\$ 57,989,821
Taxes.....	1,194,328	200,837	43,033	452,974	10,557	8,043	1,909,772
Operating Expenses (including taxes).....	\$ 43,814,083	\$ 3,931,524	\$ 3,191,711	\$ 8,278,888	\$ 372,558	\$ 310,829	\$ 59,899,593
Net Earnings.....	\$ 8,383,262	\$ 551,286	\$ 211,714	\$ 1,886,993	\$ 68,021	\$ 104,006	\$ 10,801,228
Other Income.....	2,657,934	160,793	10,202	Deficit.	Deficit.	96,832	3,806,573
Received from Grand Trunk to pay deficit.....			(*)	880,812		139,808	1,302,154
Received from Grand Trunk Western to pay deficit.....				463,306	(X)		119,416
Gross Income.....	\$ 11,041,196	\$ 712,079	\$ 920,896	\$ 3,231,111	\$ 51,395	\$ 132,694	\$ 16,089,371
<i>Deductions</i> —							
Rental, Leased Lines, Hire Equipment, etc.....	\$ 755,336	\$ 311,673	\$ 543,688	\$ 1,846,085	\$ 27,384	\$ 49,594	\$ 3,533,760
Interest on Bonds, Loans, Notes, etc. to Public.....	8,855,810	402,240	285,780	484,512	24,011		10,052,353
Interest on Bonds, Loans, Notes, etc., to Parent Co.....		52,444	89,995	878,520		83,100	1,104,059
Deficit Subsidiary Co's.....	1,302,154	Taxes 100,451					1,302,154
Total Deductions.....	\$ 10,913,300	\$ 866,808	\$ 919,463	\$ 3,209,117	\$ 51,395	\$ 132,694	\$ 16,092,777
Surplus for year 1917 by Poors.....	127,896		1,433	21,994	—000	000	151,323
G. T. R. Co. annual statement shows deficit paid (presumably other income in Poors)		154,729	(*) (698,980)	(463,306)		(139,868)	(1,302,154)
Total deficit for year.....							3,406
G. T. R. surplus.....	127,896						
Other surplus Det. G. Haven & Mil. G. T. Western.....	23,427						
Total surplus.....	151,323						
Deficits, Central Vermont.....	154,729						
Total Deficits of System.....	\$ 3,406						

NOTE.—(*) For 18 months.
(X) By deduction, this must have been advanced by G. T. W.

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GRAND TRUNK PACIFIC.

	Income Account.		Year ending June 30 (from Returns to Dept. R. & C.)				
	Year ending Dec. 31.	1918.	1917.	1916.	1915.	1914.	1913.
	\$	\$	\$	\$	\$	\$	\$
Operating Earnings (1).....	7,986,029	7,855,741	6,651,298	6,963,189	6,660,584	8,244,593	8,162,205
" Expenses (2).....	10,734,599	8,269,814	6,857,033	5,902,843	7,383,665	7,591,147	7,275,494
Revenue outside operations.....	12,748,570	414,073	205,735	1,060,346	723,081	653,445	886,711
	8,109	72,963		10,558	96,140	122,311	144,769
Net Deficit, before taxes.....	2,740,461	341,109	205,735	11,070,904	626,941	775,756	11,031,480
Taxes.....	53,205	49,963	44,726				
Operating Loss.....	2,793,666	391,072	250,461				
Other Income.....	1,920,026	2,335,409	2,535,064				
Gross income.....	873,640	1,944,337	2,284,603				
<i>Deductions.</i>							
Rents, etc.....	*150,000	151,109	155,989				
Loss—operation Branch Lines.....	1,497,197	1,891,972	908,618				
Interest on Funded Debt.....	7,775,542	6,368,084	6,368,084	6,368,093	6,137,834	4,905,708	3,709,556
Other Interest.....		901,577	551,720				
Other Charges.....	*20,000	21,164	7,773				
Deficit for Year.....	9,442,739	9,333,906	7,992,184				
Operating Ratio (2) to (1).....	10,316,379	7,389,568	5,707,581				
		105.27	104.06	84.77	110.86	92.03	89.14

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GRAND TRUNK PACIFIC.

	Statistics.					
	1918.	1917.	1916.	1915.	1914.	1913.
Miles of National Transcontinental operated	0	0	0	0	0	274.4
Miles of lines controlled and operated	1,988.1	1,969.25	1,968.41	2,235.1	1,403.7	1,401.9
Average Miles operated	1,794	1,780	1,962	1,962	1,367	1,367.5
Freight Train miles	2,002,253	1,513,550	1,736,045	1,798,659	2,362,555	2,176,467
Passenger Train mile	986,247	967,017	994,074	1,168,791	1,396,250	1,222,867
Mixed Train miles	93,690	178,802	52,188	145,210	188,020	341,463
Special Train miles	473	90	1,186	12,491	2,509	2,323
Total Revenue Train Mileage	3,082,663	2,659,459	2,783,403	3,125,151	3,949,334	3,743,120
Revenue Freight tons	2,138,472	1,725,708	1,972,054	1,454,061	1,792,445	1,561,457
“ one mile tons (1000)	815,253	623,645	714,572	683,064	991,781	816,647
Average Haul per ton—miles	454,433	350,275	407,884	311,332	728,715	597,182
Average rate per ton—per mile (cents)	381	361	362	469	553	523
Passengers carried	0.71	0.73	0.69	0.72	0.64	0.77
Average Fare per passenger (dollars)	430,762	402,230	369,495	641,479	691,686	551,620
Under Construction—miles	2.77	2.60	2.81	1.99	2.02	2.12
	0	0	0	0	830.0	385.8

NOTE.—No information was furnished for years 1916 to 1913 for Taxes. Other income; or any further information of deduction from income. No operating figures were given for 1912, as road was said to be "under construction."

*Approximate. (†Def.) ‡Surplus.

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GRAND TRUNK RAILWAY COMPANY.

	Traffic Statistics. Year ending June 30.						
	Year ending Dec. 31, 1918.	1917.	1916.	1915.	1914.	1913.	1912.
Average Miles operated.....	4,008	4,008	4,008	4,015	4,015	3,546	3,545
Freight Train Miles.....	10,363,385	11,098,679	12,821,281	10,685,171	11,465,987	12,110,763	11,748,519
Passenger Train Miles.....	6,685,839	8,004,431	9,234,657	8,933,001	9,607,495	9,352,906	9,133,656
Mixed Train Miles.....	653,135	728,265	823,249	732,225	646,983	477,366	439,398
Special Train Miles.....		1,076	5,136				
<i>Total Train Miles.....</i>	<i>17,702,359</i>	<i>19,832,385</i>	<i>22,884,317</i>	<i>20,350,397</i>	<i>21,720,462</i>	<i>21,941,125</i>	<i>21,381,773</i>
Revenue Freight—tons.....	24,905,484	25,272,449	22,710,327	20,696,566	21,473,864	23,218,982	21,347,565
Revenue freight one mile tons (-000).....	5,028,293	4,703,164	4,632,376	3,748,315	3,886,370	4,093,910	3,830,147
Revenue tons one mile per mile of road.....	1,254,564	1,173,444	1,155,785	953,578	967,963	1,154,575	1,080,437
Average haul per ton—miles.....	202	186	204	181	176	176	179
Average revenue train load—tons.....	485	426	340	328	321	327	313
Average rate per ton per mile (cents).....	0.90	0.76	0.67	0.71	0.68	0.69	0.69
Passengers carried.....	10,018,718	12,132,884	13,132,611	12,082,228	12,781,006	12,400,356	13,631,234
Average fare per passenger (cents).....	113.57	93.21	90.53	85.40	96.84	94.33	90.84
<i>Earnings.</i>							
Passenger Receipts.....	11,382,827	11,294,855	11,886,066	10,264,067	11,613,482	13,145,519	11,470,193
Freight and Live Stock.....	45,035,534	35,717,624	31,082,012	26,195,812	26,459,132	29,806,261	26,313,112
Mail and Express.....	2,338,112	2,478,622	2,375,794	2,059,564	1,928,402	1,430,761	1,830,616
Miscellaneous.....	2,852,288	2,766,844	2,445,529	1,837,405	1,836,588	1,870,640	1,495,235
<i>Total Operating Earnings.....</i>	<i>61,588,761</i>	<i>52,197,345</i>	<i>47,780,401</i>	<i>40,357,748</i>	<i>41,837,604</i>	<i>46,818,196</i>	<i>41,109,156</i>
<i>Expenses.</i>							
Maintenance of Way and Structures.....	7,809,916	6,005,365	4,424,845	4,879,948	5,236,834	5,496,676	4,634,493
Maintenance of Equipment.....	14,434,683	9,330,688	7,329,455	6,847,059	6,692,127	7,132,742	6,611,318
Traffic Expenses.....	980,200	1,189,600	1,165,642	1,156,422	1,367,022	1,430,761	1,212,369
Transportation.....	27,187,362	24,533,942	19,711,856	16,244,856	17,907,067	19,201,063	15,656,854
General Expenses.....	2,561,635	1,490,166	1,469,726	1,561,706	1,290,145	1,241,108	1,063,332
<i>Total Working Expenses.....</i>	<i>52,979,782</i>	<i>42,619,755</i>	<i>34,101,510</i>	<i>30,689,988</i>	<i>32,494,129</i>	<i>34,502,356</i>	<i>29,178,396</i>
Taxes.....	1,056,023	1,134,328	1,074,888	998,126	863,210	838,436	644,381
<i>Total expenses.....</i>	<i>53,435,805</i>	<i>43,814,083</i>	<i>35,176,398</i>	<i>31,688,117</i>	<i>33,297,339</i>	<i>35,340,809</i>	<i>29,822,777</i>

GRAND TRUNK RAILWAY COMPANY.

	Traffic Statistics. Year ending June 30.						
	Year ending Dec. 31 1918.	1917.	1916.	1915.	1914.	1913.	1912.
<i>Expenses to Total Earnings (per cent.)</i>							
Maintenance of Way and Structures.....	12.68%	11.51%	9.36%	12.09%	12.52%	11.74%	11.27%
Maintenance of Equipment.....	23.44	17.97	15.34	16.97	16.00	15.23	16.08
Traffic Expense.....	1.57	2.28	2.44	2.87	3.27	3.06	2.95
Transportation.....	44.14	47.04	41.24	40.25	42.80	41.01	38.69
General Expense.....	4.16	2.85	3.08	3.87	3.08	2.65	2.59
Total Expense Operating.....	85.04	81.65	71.36	76.05	77.67	73.69	70.98
Taxes.....	1.71	2.29	2.24	2.47	1.92	1.79	1.56
Total Expense including taxes.....	86.75	83.94	73.60	78.52	79.59	75.48	72.54

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GUARANTEES AS AT DECEMBER 31st, 1917.

Guarantees by the Grand Trunk Railway Company have been made for The Grand Trunk Pacific, of \$97,301,253—\$62,422,000 for principal and interest and \$34,879,253 for interest only. Detail of this is in an attached statement. \$25,000,000 of the foregoing total of \$62,422,000 is guaranteeing loans made by the Dominion Government.

Besides the guarantees to the Grand Trunk Pacific, the Grand Trunk Railway Company have guaranteed the following:—

Atlantic & St. Lawrence R.R.

5% on Capital Stock of \$5,484,000 as rental.

Buffalo & Lake Huron Ry.

£70,000 or \$340,666 rental, £42,500 or \$206,833 of which takes precedent to Grand Trunk Ry. 1st Mortgage Bonds, and balance after 2nd mortgage bonds.

Central Vermont.

The Grand Trunk Railway guarantee the interest on the bonds by traffic contract up to an amount equal to 30% of the gross receipts from interchange business.

Southern New England Railway.

Under construction. Information at hand is very incomplete. In May, 1916, the Central Vermont Ry. got authority to issue \$30,000,000 of Bonds, bearing guarantee of Grand Trunk Railway Company, but what portion, if any, of this issue was made, it cannot be said.

Detroit, Grand Haven & Milwaukee Ry.

The Grand Trunk Railway Company guarantees principal and interest of all the 6% Bonds (Consolidated and Equipment) of which \$4,763,000 are held by the public. The rest are owned by the Grand Trunk Railway Company.

Grand Trunk Western Railway.

The Grand Trunk Railway Company have guaranteed unconditionally the interest on the \$14,999,720 1st mortgage 4% bonds of this company, and have assumed all the \$3,872,000 5% bonds of the *Grand Trunk Junction Railway*, of which they have exchanged £606,000 or \$2,949,200 worth for Grand Trunk Ry. 4% Consolidated Debenture Stock, which leaves \$922,800 worth in the hands of the public.

Pontiac, Oxford & Northern R.R.

The Grand Trunk Ry. have assumed the \$400,000 of 6% 1st mortgage bonds, due July 1st, 1916, of this Company. It will be noted these have matured and stand unpaid. The interest of these still appears in the Income Account of Company, so it is assumed these securities are standing in "Statu Quo" pending settlement.

Detroit and Toledo Shore Line R.R.

Jointly and severally with the Toledo, St. Louis and Western R.R. the Grand Trunk Western Ry. have guaranteed the \$3,000,000 of 4% 1st mortgage bonds of this Company for principal and interest. This is not a direct guarantee of the Grand Trunk Railway Company, but might affect them as such, through their ownership of all stock, part of bonds, and guarantee of all bonds of The Grand Trunk Western Railway.

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Chicago, Detroit & Canada G.T.R. Junction Ry.

The Grand Trunk Railway Company guarantee, under a lease of this road, interest on bonds of this road, but they (the G.T.R. Co.) own all these bonds; also guarantee interest of 4% on the \$1,095,000 capital stock issued, but the Grand Trunk Railway own \$522,315 of this stock, which leaves \$572,685 of the stock in the hands of the public, carrying the G.T.Ry's guarantee for 4% interest. Fixed rentals for roads leased, which do not imply guarantees are not included above.

DATES OF MATURITY, SHORT TERM SECURITIES.

G.T.R. Co.

Outstanding June 25th, 1918 (Poor's).

1. \$1,576,000. Equipment trust $4\frac{1}{2}$ per cent Gold Notes, Series "A", Dated May 1st, 1912, due—\$197,000 semi-annually to May 1st, 1922, inc.
 2. \$1,512,000. Equipment trust $4\frac{1}{2}$ per cent Gold Notes, Series "B", Dated Nov. 1st, 1912, due—\$168,000 semi-annually to Nov. 1st, 1922, inc.
 3. \$1,233,000. Equipment $4\frac{1}{2}$ per cent notes, Series "C", Dated Nov. 1st, 1913, due—\$113,000 to Nov. 1st, 1918 and \$112,000 semi-annually, from May 1st, 1919 to Nov. 1st, 1923, inc.
 4. \$2,375,000. Equipment 5 per cent Notes, Series "D", Dated Aug. 1st, 1917, due—\$125,000 semi-annually Feb. 1st, and Aug. 1st, to August 1st, 1927, inc.
 5. \$3,000,000 6 per cent 3-year secured notes dated Oct. 1st, 1918, repayable 1st Oct., 1921.
 6. £2,500,000 5-year $5\frac{1}{2}$ per cent secured notes dated July 1st, 1915, due July 1st, 1920.
 7. £1,000,000 3-year 6 per cent secured notes, dated Jan. 15th, 1918, due Jan. 14th, 1921.
- £5,910,959=\$28,766,666 as total by Poor's June 25th, 1918.
8. \$165,000.—Whipple Car Company First Real Estate & Collateral Car Trust Gold, 6 per cent. Dated December 1st, 1912, due \$30,000 annually to Dec., 1921, inclusive, and \$45,000 Dec. 1st, 1922, secured by manufacturing plant of Company, etc., and assumed by Grand Trunk Railway Company, original issue \$300,000.

They also show:—

9. £475,405. Notes Payable, with no further enlightenment.

Central Vermont Railway.

10. \$441,000—5 per cent Equipment Trust Gold Notes, Series "D" issued Feb. 1st, 1912, due \$49,000 each Feb. 1st, and August 1st, to Feb. 1st, 1922.
- and the Central Vermont have a contingent liability for short term paper for —
12. \$87,000.—1st Guaranteed Gold 5 per cent and—
 13. \$450,000. Guaranteed Gold, 5 per cent Series "B" of the Central Vermont Transportation Company. (No details of dates given.)

Detroit, Grand Haven & Milwaukee Ry.

14. \$2,000,000 1st Equipment Mortgage 40-year, 6 per cent, due Nov. 1st, 1918,—Of these the Grand Trunk Company hold \$39,000.
15. \$3,200,000. Consolidated Mortgage 40-year 6 per cent, due Nov. 1st, 1918,—of these the Grand Trunk Ry. Company hold \$398,000.

It will be noted that these, although not short term paper, being due in 1918, have been cited, as they must have been taken care of in some way by this time, either temporarily or by some bond issue.

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Grand Trunk Western Railway.

16. \$90,000.—Thorton Junction and Land Mortgage, 5½ per cent, dated Dec. 12th, 1913, due Dec. 12th, 1918, secured by land acquired for yard purpose at Thorton Jet., Ill.
17. \$400,000.—Pontiac, Oxford & Northern R.R. 1st Mortgage 6 per cent 20-year Gold Bonds—due July, 1916, therefore due and unpaid. These were assumed by the G.T. Western Ry. in Nov., 1909, when they acquired the road (Note—This funded debt is still shown in Balance Sheet, Dec. 31st, 1917, of P.O. & N.R.R.)

Grand Trunk Pacific Railway.

18. £2,000,000 or \$9,733,333 5 per cent Secured notes dated March 2nd, 1914, due March 2nd, 1921, guaranteed by G.T.R. P. & I. by endorsement.
19. \$10,000,000 4 per cent Dominion Government Loan, due May, 1919, guaranteed by G.T.R. secured by G.T.P. Bonds.
20. \$15,000,000 4 per cent Government Loan, due July, 1923, secured by G.T.P. Debentures and guaranteed G.T.R.

TO RECAPITULATE BY PARENT COMPANY AND SUBSIDIARIES AND IN ORDER OF DATES DUE.

Grand Trunk Railway Company—Parent Company (at June 1918).

Item.	Amount.	Final Due Date.	Dollars.
			\$
6	£2,500,000	July 1st, 1920	12,166,667
7	1,000,000	January 14th, 1921	4,866,667
1	\$1,576,000	May 1st, 1922	1,576,000
2	1,512,000	Nov. 1st, 1922	1,512,000
8	165,000	Dec. 1st, 1922	165,000
3	1,233,000	Nov. 1st, 1923	1,233,000
4	2,375,000	Aug. 1st, 1927	2,375,000
		Total due subsequent to January, 1919, and outstanding at June, 1918	23,894,334
		<i>Subsidiary Companies.</i>	
14	\$ 2,000,000	Nov. 1st, 1918	2,000,000
15	3,200,000	Nov. 1st, 1918	3,200,000
	\$ 5,200,000	Total due before January, 1919	5,200,000
10	\$ 441,000	Feb. 1st, 1922	441,000
12	87,000	No dates given	87,000
13	450,000	"	450,000
	\$ 978,000	Total due subsequent to January, 1919, and outstanding at June, 1918	978,000
		<i>Grand Trunk Pacific.</i>	
19	\$10,000,000	April, 1919	10,000,000
18	£ 2,000,000	March 2nd, 1921	9,733,333
20	\$15,000,000	July 1st, 1923	15,000,000
			34,733,333

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DEFICITS for Central Vermont Railway and Income Cost to Grand Trunk Railway for the Atlantic and St. Lawrence R.R. for past seven years.

Central Vermont Ry.	Deficit	Surplus.	
	\$	\$	
1910-11 June 30th		90,251	Moody's Manual, 1917.
1911-12 " 30th		12,953	" " 1917.
1912-13 " 30th	9,795		" " 1917.
1913-14 " 30th	259,258		" " 1917.
1914-15 " 30th		15,418	Poor's " 1918.
1915-16 " 30th		175,208	" " 1918.
1916 Dec. 31st		31,582	" " 1918.
1917 " 31st	154,729		" " 1918.
Totals	423,782	325,412	
	325,412		
Bal. deficit $7\frac{1}{2}$ years	98,370	= average	\$11,809 per year.
<i>Atlantic & St. Lawrence R.R.</i>			
1910-11 June	646,500		Moody's Manual, 1917.
1911-12 "	653,394		" " 1917.
1912-13 "	610,688		" " 1917.
1913-14 "	432,554		" " 1917.
1914-15 "	421,136		" " 1917.
1915-16 "	179,067		" " 1917.
1916 June to Dec	266,565		Poor's " 1918.
1917 December	1,272,496		" " 1918.

INCOME COST TO GRAND TRUNK RAILWAY FOR ATLANTIC SEABOARD CONNECTION.

Atlantic & St. Lawrence R.R. & (Norway Branch R.R.)

Net earnings 1917 show deficit	\$ 669,623
1915-16 had other income	13,573
Leaves net deficit	\$ 656,050
Interest on bonds	171,900
Rentals 1915-16 were	68,132
Deficit before Dividend	\$ 896,082
Guaranteed Dividends	230,598
Total deficit for 1917	\$1,226,680
From Poor's 1917 Net earnings deficit	\$ 669,623
" " Charges	602,873
Makes total deficit	\$1,272,496

The Grand Trunk figures only show \$330,598 as rental for expense of carrying this road.

The bonds are owned by G.T.R. who have issued against these, their own securities, and this fixed charge is therefore buried in their general figures.

It does not appear where the balance of this deficit is in annual statement of G.T.R. 1917, separately; but as operating figures are amalgamated for G.T.R. Co., which include this road—they would not be segregated in an annual report.

Previous deficits for this road for the last six years would average \$500,000 per year, on the above basis.

Central Vermont Railway.

As will be seen in the Combined Revenue Statement for G.T.R. roads, the Central Vermont showed a net deficit for 1917 of \$154,729 after paying fixed charges.

In the previous six years the deficits would about balance the surpluses after fixed charges were paid.

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DEFICITS Western American Subsidiary Companies paid by Grand Trunk Railway
in last seven years.

Dec. 31st	Det., Grand H. and Milwaukee.	G.T. Western.	Tol., Sag. and Musk.	Total.
1911.....		£ 129,273		£129,273
		\$ 629,129		\$ 629,129
1912.....		£ 221,414		£221,414
		\$1,077,548		\$1,077,548
1913.....	£ 83,870		£ 20,496	£ 104,366
	\$ 408,167		\$ 99,747	\$ 507,914
1914.....	£103,742	£ 135,348	£ 26,147	£ 265,237
	\$ 504,878	\$658,693	\$ 127,249	\$1,290,820
1915.....	£ 1,879	£ 122,177	£ 20,563	£ 144,619
	\$ 9,144	\$ 594,595	\$ 100,073	\$ 703,812
1916.....	£ 40,239	Cr. £ 119,208	£ 16,156	Cr. £ 62,813
	\$ 195,830	Cr. \$ 580,146	\$ 78,626	Cr. \$ 305,690
1917.....	£ 143,626	£ 95,200	£ 28,740	£ 267,566
	\$ 698,980	\$ 463,306	\$ 139,868	\$1,302,154
Total, 7 years.....	\$1,816,999	\$2,843,125	\$ 545,563	\$5,205,687
Average, 1 year.....	\$ 259,654	\$ 406,168	\$ 77,935	\$ 743,669

NOTES:—Figures 1911 to 1915 from Poor's 1916 1917; G.T.P. annual report, 1917. £ Means pounds sterling.

GRAND TRUNK RAILWAY COMPANY.

DIVIDENDS PAID.

Year.	Per cent.	Guaranteed.	Per cent.	5% First Preference.	Per cent.	5% Second Preference.	Per cent.	4% Third Preference.	Total.
		\$ cts.		\$ cts.		\$ cts.		\$ cts.	\$ cts.
1906.	4	1,520,404 60	5	831,428 64	5	615,244 16	3	1,046,036 84	4,013,114 24
1907.	4	1,638,952 95	5	831,428 64	5	615,244 16	3	1,046,036 84	4,131,682 59
1908.	4	1,861,121 40	5	831,428 64	24	307,622 08			3,000,172 21
1909.	4	1,913,522 07	5	831,428 64	5	615,244 16			3,362,194 87
1910.	4	1,960,171 50	5	831,428 64	5	615,244 16	1	174,339 47	3,581,183 77
1911.	4	2,080,161 11	5	831,428 64	5	615,244 16	14	523,018 42	4,049,852 33
1912.	4	2,351,148 07	5	831,428 64	5	615,244 16	24	871,697 36	4,669,518 23
1913.	4	2,417,871 06	5	831,428 64	5	615,244 16	24	871,697 36	4,736,241 22
1914.	3 1/2	2,129,166 07							2,129,166 07
1915.	4	2,433,333 33	5	831,428 64	5	615,244 16			2,153,333 33
1916.	4	2,433,333 33							3,880,006 13
1917.									
1918.									
Total.....	43 1/2	22,741,186 58	45	7,482,857 76	42 1/2	5,229,575 36	12	4,532,823 29	39,986,445 99

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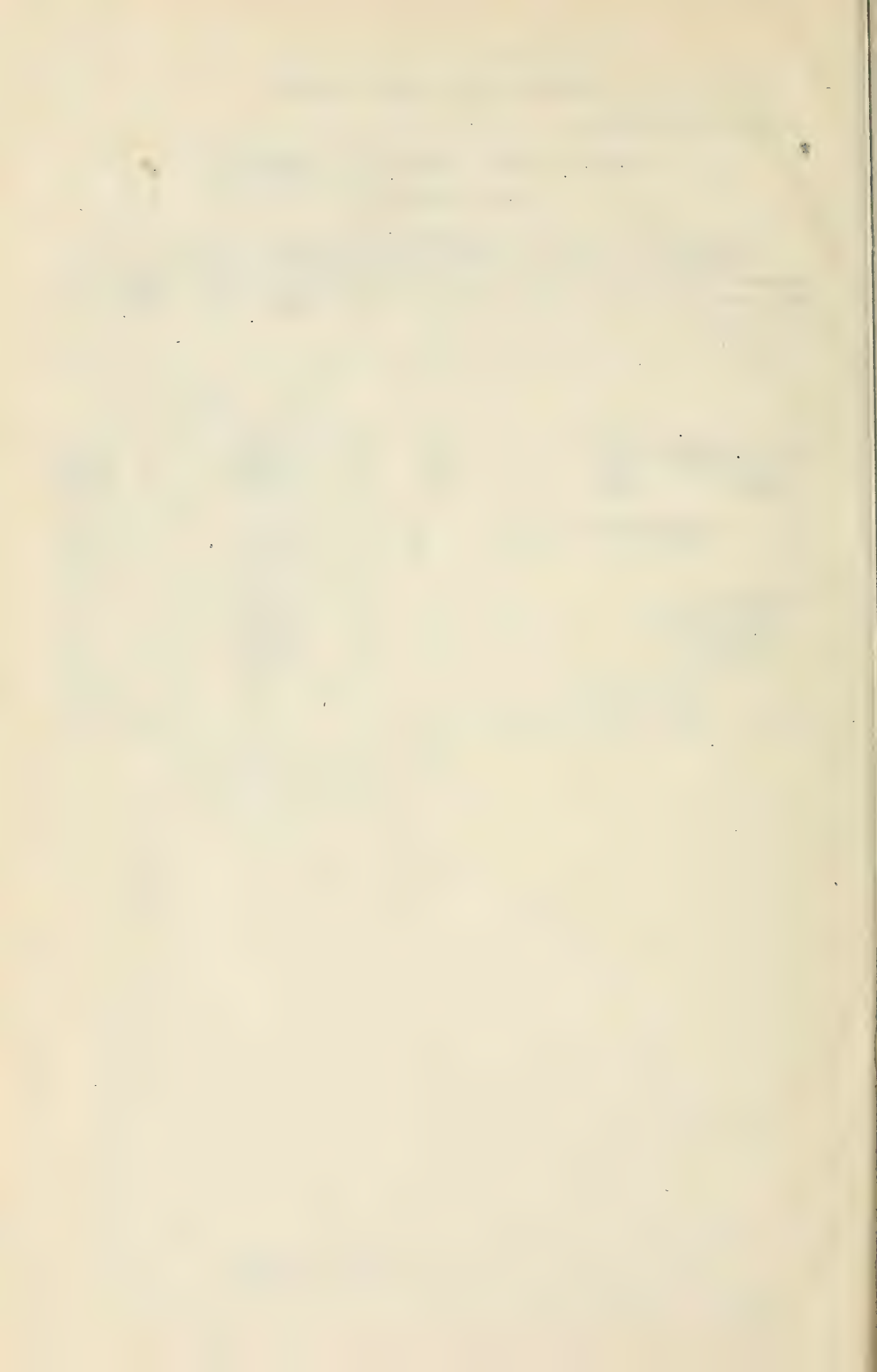
GRAND TRUNK RAILWAY COMPANY.

VOTING POWER OF STOCK.

Quoting the Stock Exchange Year Book—1915, page 289.

Voting power, two votes for each £100 of ordinary stock, and Northern 4 per cent debenture stock, and four votes for every \$100 of preference stock, guaranteed stock and debenture stock, except Great Western 5 per cent debenture stock, which has no voting power.

	Issued.	Votes per £100.	No. Votes.
Four per cent Guaranteed Stock.....	£ 12,500,000	4	500,000
First preference stock (5%).....	3,420,000	4	136,800
Second " (5%).....	2,530,000	4	101,200
Third " (4%).....	7,168,055	4	286,720
Total preference stock.....	£ 25,618,055		1,024,720
Ordinary stock.....	23,955,437		479,108
	£ 49,573,492		1,503,828
<i>Debenture stock—</i>			
5% Grand Trunk.....	£ 4,270,375	4	170,812
5% Great Western.....	2,723,080		
4% Grand Trunk.....	24,624,455	4	984,976
4% Northern.....	308,215	2	6,164
Total debenture stock.....	£ 31,926,125		1,161,952
Grand total, stock and debenture stock, votes.....			2,665,780



CONVENTION

BETWEEN

HIS MAJESTY GEORGE V

Of the United Kingdom of Great Britain and Ireland and of the
British Dominions beyond the Seas, King, Emperor of India

AND THE

UNITED STATES OF AMERICA

For the Protection, Preservation, and Propagation of the Salmon Fisheries
of the Fraser River System.

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

J. DE LABROQUERIE TACHÉ

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1919

THE UNITED STATES OF AMERICA

UNITED STATES OF AMERICA

CONVENTION BETWEEN HIS MAJESTY GEORGE V OF THE UNITED KINGDOM OF GREAT BRITAIN AND IRELAND, OF THE BRITISH DOMINIONS BEYOND THE SEAS, KING, EMPEROR OF INDIA, AND THE UNITED STATES OF AMERICA, PROVIDING EFFECTIVE MEASURES FOR THE PROTECTION, PRESERVATION AND PROPAGATION OF THE SALMON FISHERIES OF THE FRASER RIVER SYSTEM.

His Majesty George V, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, Emperor of India, and the United States of America, equally recognizing the desirability of uniform and effective measures for the protection, preservation, and propagation of the salmon fisheries in the waters contiguous to the United States and the Dominion of Canada, and in the Fraser River System, have resolved to conclude a convention for this purpose, and have named as their Plenipotentiaries:

His Britannic Majesty, the Honourable Ronald Lindsay, his charge d'affaires at Washington, and the Honourable Sir John Douglas Hazen, a Knight Commander of the Most Distinguished Order of St. Michael and St. George, Chief Justice of New Brunswick, and a member of his Privy Council for Canada, and the President of the United States of America, the Honourable Robert Lansing, Secretary of State of the United States of America.

Who, having exhibited their full powers, found to be in due form, have agreed to and signed the following articles:—

ARTICLE 1.

The times, seasons, and methods of sockeye-salmon fishing in the waters specified in Article III of this Convention, and the nets, engines, gear apparatus, and appliances which may be used therein, shall be limited to those which are specified in the regulations appended hereto, and, or which may be specified in revised, modified, or substituted regulations provided for in Article VI and promulgated in accordance with the terms of Article II.

ARTICLE II.

The High Contracting Parties engage to put into operation and enforce by legislative and executive action, with as little delay as possible, the provisions of this convention and said regulations, and the date when the said regulations shall be put into operation shall be fixed by concurrent proclamations of the President of the United States and of the Governor General of the Dominion of Canada in Council. Each of the High Contracting Parties may, by appropriate legislation, provide for the trial, conviction, and punishment within its jurisdiction of any person found there who has contravened any of the provisions of this convention, and, or said regulations within the jurisdiction of the other High Contracting Party, and who has not been punished for such offence within the latter jurisdiction.

ARTICLE III.

It is agreed that the provisions of this convention and of said regulations shall apply to the waters included within the following boundaries:—

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Beginning at Carmanagh Lighthouse on the southwest coast of Vancouver Island, thence in a straight line to a point three marine miles due west astronomic from Tatoosh Lighthouse, Washington, thence to said Tatoosh Lighthouse, thence to the nearest point of Cape Flattery, thence following the southerly shore of Juan de Fuca Strait to Point Wilson, on Quimper Peninsula, thence in a straight line to Point Partridge or Whidbey Island, thence following the western shore of the said Whidbey Island, to the entrance of Deception Pass, thence across said entrance to the southern side of Reservation Bay, on Fidalgo Island, thence following the western and northern shore line of the said Fidalgo Island to Swinomish Slough, crossing the said Swinomish Slough in line with the track of the Great Northern Railway, thence northerly following the shore line of the mainland to Point Grey at the southern entrance to Burrard Inlet, British Columbia, thence in a straight line to the southern end of Gabriola Island, thence to the southern side of the entrance to Boat Harbour, Vancouver Island, thence following the eastern and southern shores of the said Vancouver Island to the starting point at Carmanagh Lighthouse, as shown on the United States Coast and Geodetic Survey Chart No. 6300, as corrected to July 29, 1918, and also the Fraser River and its tributaries.

The High Contracting Parties engage to have prepared, as soon as practicable, charts of the waters described in this article, with the international boundary line indicated thereon; and to establish such buoys and marks for the purposes of this convention as may be recommended by the commission referred to in Article IV.

ARTICLE IV.

The High Contracting Parties agree to appoint, within two months after the exchange of ratifications of this convention, a commission to be known as the International Fisheries Commission, consisting of four persons, two to be named by each party. This commission shall continue to exist so long as this convention shall be in force. Each party shall have the power to fill, and shall fill, from time to time, any vacancy which may occur in its representation on the commission. Each party shall pay its own commissioners, and any joint expenses shall be paid by the two High Contracting Parties in equal moieties.

ARTICLE V.

The International Fisheries Commission shall conduct investigations into the life history of the salmon, hatchery methods, spawning-ground conditions, and other related matters, and shall observe the operation of the said regulations appended hereto, and shall recommend to their respective Governments any modifications of, additions to, or substitutions for the appended regulations which may be found desirable.

ARTICLE VI.

The regulations appended to this convention shall remain in force for a period of eight years from the date of their promulgation, as provided in Article II, and thereafter until one year from the date when either of the High Contracting Parties shall give notice to the other of its desire for their revision, or until the termination of this convention, whichever shall first occur. Immediately upon such notice being given, the International Fisheries Commission shall proceed to make a revision of said regulations, which revised regulations shall be incorporated in a special agreement between the High Contracting Parties. It is understood that such special agreement shall on the part of the United States be made by the President of the United States, by and with the advice and consent of the Senate thereof. Such special agreement shall be binding only when confirmed by the two Governments by an exchange of notes. Such special agreement shall be promulgated as provided in Article II hereof,

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and shall remain in force for a period of five years and thereafter until one year from the date when a further notice of revision is given as above provided in this article, or until the termination of this convention, whichever shall first occur.

It shall, however, at any time, be in the power of the High Contracting Parties by special agreement upon the recommendation of the International Fisheries Commission, to make modifications of, additions to, or substitutions for any of the regulations in force, and (or) to make the provisions of this convention, and any regulations promulgated in accordance with the terms thereof, operative in the waters specified in Article III of this convention, as to any or all of the other species of salmon, including steelhead. It is understood that such special agreement shall on the part of the United States be made by the President of the United States, by and with the advice and consent of the Senate thereof. Such special agreement shall be binding only when confirmed by the two Governments by an exchange of notes. Such special agreement shall be promulgated as provided in Article II hereof.

ARTICLE VII.

This convention shall remain in force for a period of fifteen years, and thereafter until two years from the date when either of the High Contracting Parties shall give notice to the other of its desire to terminate this convention.

ARTICLE VIII.

The present convention shall be duly ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty, and the ratifications shall be exchanged at Washington as soon as practicable.

IN FAITH WHEREOF, the respective plenipotentiaries have signed the present convention in duplicate and thereunto affixed their seals.

Done at the City of Washington this second day of September, in the year one thousand nine hundred and nineteen.

R. C. LINDSAY. [SEAL.]

J. D. HAZEN. [SEAL.]

ROBERT LANSING. [SEAL.]

APPENDIX.

INTERNATIONAL REGULATIONS FOR THE PROTECTION AND PRESERVATION OF THE SOCKEYE SALMON FISHERIES OF THE FRASER RIVER SYSTEM.

SECTION 1.

The following regulations shall apply to the waters described in Article III of the convention of September 2, 1919, between the United States and Great Britain, to which these regulations are appended, to wit:—

Beginning at Carmanagh Lighthouse on the southwest coast of Vancouver Island, thence in a straight line to a point three marine miles due west astronomic from Tatoosh Lighthouse, Washington, thence to said Tatoosh Lighthouse, thence to the

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nearest point of Cape Flattery, thence following the southerly shore of Juan de Fuca Strait to Point Wilson, on Quimper Peninsula, thence in a straight line to Point Partridge on Whidbey Island, thence following the western shore of the said Whidbey Island to the entrance to Deception Pass, thence across said entrance to the southern side of Reservation Bay, on Fidalgo Island, thence following the western and northern shore line of the said Fidalgo Island to Swinomish Slough, crossing the said Swinomish Slough in line with the track of the Great Northern Railway thence northerly following the shore line of the mainland to Point Grey at the southern entrance to Burrard Inlet, British Columbia, thence in a straight line to the southern end of Gabriola Island, thence to the southern side of the entrance of Boat Harbour, Vancouver Island, thence following the eastern and southern shores of the said Vancouver Island to the starting point at Carmanagh Lighthouse, as shown on the United States Coast and Geodetic Survey Chart No. 6300, as corrected to July 20, 1918, and also the Fraser River and its tributaries.

SECTION 2.

DEFINITIONS.

"Drift net" shall mean a floating gill net that is neither anchored nor staked, but that floats freely with the tide or current.

"Trap net" shall include a pound net.

"Commission" shall mean the International Fisheries Commission, appointed under the convention to which these regulations are appended.

"Treaty waters" shall mean all waters described in Article III of the convention to which these regulations are appended.

SECTION 3.

(a) Fishing for sockeye salmon in the treaty waters within territorial limits of the State of Washington, shall not be permissible except under license from such State, and in the treaty waters of Canada except under license under the provisions of the Fisheries Act of Canada.

(b) No greater number of licenses for any class of fishing appliance shall be authorized in any year in the treaty waters within the territorial limits of the State of Washington than were issued for such class for the season of 1918, up to August 31, inclusive thereof, and in the treaty waters of Canada the number of gill nets that may be licensed in any year shall not exceed 1,800.

(c) No license shall be granted to any person or partnership in the State of Washington unless such person or each member of such partnership shall be an American citizen, resident in said State, and no license shall be granted to any joint-stock company or corporation in said State, unless the officers, directors, and the holders of a majority of the stock hereof, are American citizens, or unless it is authorized to do business in the said State; and no license shall be granted to any person, company, or firm in the Province of British Columbia, unless such person is a British subject resident in the said Province, or unless such company or firm is a Canadian company or firm or is authorized by the Provincial Government to do business in the said Province of British Columbia.

(d) No one other than a British subject who owns or leases land on either side of the Fraser River above New Westminster Bridge, and who actually permanently resides on, and is cultivating such land, shall be eligible for a license to fish for sockeye salmon between New Westminster Bridge and Mission Bridge, but fishing under such license shall not be carried on below New Westminster Bridge.

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SECTION 4.

The use of nets other than drift nets, purse seines, and trap nets shall not be permitted in treaty waters for the capture of sockeye salmon.

SECTION 5.

No net fishing or fishing of any kind, other than with hook and line, except for hatchery purposes or scientific purposes, shall be permissible in the Fraser River above the down-river side of Mission Bridge.

SECTION 6.

During the years 1920 to 1927, both years inclusive, no one shall fish for, catch, or kill any salmon from the 20th day of July to the 31st day of July in each year, both days inclusive; and during this close time no nets or appliances of any kind that will capture salmon may be used in these treaty waters: *Provided, however,* That salmon fishing for hatchery or scientific purposes may be authorized during this period.

SECTION 7.

The weekly close time for salmon fishing shall be from six o'clock a.m. Saturday, to six o'clock p.m. Sunday, in Canadian waters, excepting in that portion of the Fraser River between New Westminster Bridge and Mission Bridge, where the weekly close time shall be from six o'clock a.m. Saturday to six o'clock p.m. on the following Monday, and in the treaty-waters of the United States from Friday at four o'clock p.m. to Sunday at four o'clock a.m., and during this close time no salmon fishing of any kind other than for hatchery or scientific purposes shall be permissible, and during the full period of each weekly close time or annual close season, each trap net shall be closed by an apron placed across the outer entrance to the heart of the trap, which apron shall extend from the surface to the bottom of the water and shall be securely connected to the piles on either side of the heart of the trap net, fastened by rings not more than two feet apart on taut wires stretched from the top to the bottom of the piles, and such apron, or the appliance by which it is raised and lowered, shall be provided with a signal or flag, which shall disclose whether the trap net is closed, and which shall be of the form and character approved by the commission; *Provided,* That in addition to the foregoing requirement, such trap net shall be equipped with a V-shaped opening, to the satisfaction of the commission, and in the lead of such trap net next to the entrance to the heart and immediately adjacent to the apron, of at least ten feet in width at the top and extending below the surface at least four feet below low water, which V-shaped opening shall remain open and unobstructed during the full period of each weekly close time or annual close season. For the purposes of assuring full compliance with this regulation, the owner or operator of each trap net shall constantly maintain during the weekly and annual close times a watchman, whose duty it shall be to cause each trap net to be kept closed and the lead to be kept open, as above provided.

SECTION 8.

All salmon trap nets shall be limited to a total length of twenty-five hundred feet, with an end passageway of at least six hundred feet between one trap net and the next in linear series, such distances being measured in continuation of the line of direction of the leader of such trap net, but in no instance shall more than two-thirds of the width of any passageway at any point be closed by trap nets. There shall also be a lateral distance of at least twenty-four hundred feet between one trap net and the next.

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SECTION 9.

A salmon purse seine shall not exceed nineteen hundred linear feet in length, including the lead and attachment, measured on the cork line when wet.

SECTION 10.

(a) No purse seine shall be cast or placed in the water for fishing purposes within twenty-four hundred feet of any trap net.

(b) The use of purse seines for the capture of sockeye salmon shall be confined to the treaty waters southward and westward of a straight line drawn from the lighthouse on Trial Island, British Columbia, to the northwest point of Whidbey Island, State of Washington.

SECTION 11.

A salmon drift net shall not exceed nine hundred linear feet in length, and the vertical breadth thereof shall not exceed sixty meshes, and the size of the mesh shall not be less than five and three-fourths inches, extension measure, when in use.

